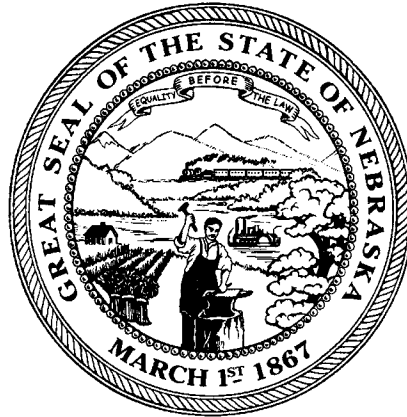


State of Nebraska

Mid-Biennium Budget Adjustments

2003 - 2005 Biennium



A stylized, handwritten signature of Mike Johanns in black ink.

Mike Johanns
Governor

Presented January 15, 2004

Mid-Biennium Budget Adjustments

2003 - 2005 Biennium

Presented by
Nebraska Department of Administrative Services
Budget Division
Room 1320 State Capitol
Lincoln, Nebraska 68509
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Presented January 15, 2004

STATE OF NEBRASKA

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Mike Johanns
Governor

January 15, 2004

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol Building
Lincoln, NE 68509

Dear Mr. President and Senators:

Today I am presenting my recommendations for mid-biennium adjustments to the 2003-2005 biennial budget for your consideration.

We have been challenged these past three years by the effects of the 2001 economic recession, the September 11, 2001 attack on our nation, war, and a call to guarantee the security and health of our citizens. In Nebraska we have also had special challenges related to adverse weather, the stewardship of our natural resources, and most recently a threat to our cattle industry.

The early years of the 21st century have been a particular challenge for Governors and legislators across the United States. Difficult economic times required extra effort to find a proper balance between the demands for government assistance and the capacity of our citizens to finance it. In the midst of economic adversity and budget difficulties it is especially important for us to pursue reforms and assert priorities in the use of our limited resources. My mid-biennium recommendations underscore the importance of these reform efforts. I include financing support for specific initiatives while at the same time provide a framework for managing the 2003-2005 biennium "budget gap" caused by a reduction in forecasted tax receipts.

It is important that we offer Nebraskans with mental illness an opportunity for care and treatment as close to their families and home communities as possible. My budget recommendations include \$6.0 million to develop community-based mental health services, \$3.5 million annually for community-based housing-related costs, and an additional \$2.5 million annually for emergency protective custody services. The development of community-based alternatives will permit the closure of old State institutional settings and permit the redirection of nearly \$38 million to finance care and treatment for persons with mental illness in their home communities.

Last year I created a Children's Task Force out of concern for an increasing number of violent child deaths in Nebraska. After careful deliberation by many concerned professionals and citizens, the Task Force has offered us "A Roadmap to Safety for Nebraska's Children" containing over twenty-five specific recommendations to help protect Nebraska's children. My budget recommendations focus on the highest priorities presented by the Task Force by providing \$10.5 million to improve prevention, investigation, and prosecution of the maltreatment of children.

The protection of a valuable natural resource, our water, is also of paramount importance at this time. The Water Policy Task Force has reminded us that water is essential to human health and well being, agriculture, the environment, industry, and the overall economic viability of our State. My recommendations include \$2.5 million to begin implementation of Task Force recommendations.

Mr. President, Mr. Speaker,
and Members of the Legislature
January 15, 2004
Page 2

My specific budget recommendations for the 2003-2005 biennium include \$68.7 million of additional revenue to the General Fund, \$58.2 million of which is the flexible federal fiscal relief payment to Nebraska under the federal "Jobs Growth and Tax Relief Act of 2003." No tax increases are included in my recommendations.

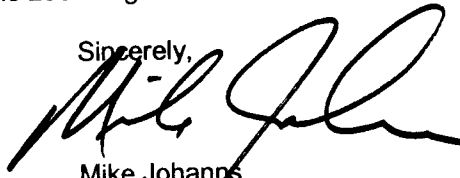
My recommendations provide for \$94.2 million of reductions to current General Fund appropriations and \$46.5 million of supplemental appropriations for a net reduction in General Fund appropriations of \$47.7 million for the 2003-2005 biennium.

The 2004 Legislative Session should also be used to plan and prepare for development of the 2005-2007 biennial budget. The Legislative Fiscal Office revenue projections for 2005-2007 of 6.9 percent growth using the "capped" historical average method should be balanced with planning for a 4 percent, not the customary 3 percent minimum reserve requirement for the General Fund in the next biennium. Spending estimates for the following biennium include a 3.25 percent increase factor each year for State employee salaries. This planning estimate should be based upon a 1.5 percent increase. In addition, I will support legislation to extend the temporary aid adjustment factor and the \$1.05 maximum levy limit for purposes of determining TEEOSA school aid. This will provide an increase of over 7 percent each year for school aid in the next biennium.

My recommendations for the 2003-2005 and the 2005-2007 biennia produce structural balance (receipts exceed appropriations) for all four fiscal years. A larger General Fund operating reserve is created in the 2005-2007 biennium to lower risk associated with optimistic revenue projections.

I look forward to working with you during the 2004 Legislative Session.

Sincerely,



Mike Johanns
Governor

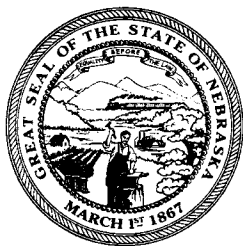


Table of Contents

| | |
|--------------------------------------|--------|
| General Fund Financial Status | 2 |
|--------------------------------------|--------|

| | |
|---------------------------------|---------|
| Cash Reserve Fund Status | 4 |
|---------------------------------|---------|

| | |
|--|---------|
| Mid-Biennium Budget Adjustments | 7 |
|--|---------|

| | |
|---------------------|---------|
| Introduction | 9 |
|---------------------|---------|

| | |
|-------------------------|---------|
| Call for Reforms | 9 |
|-------------------------|---------|

| | |
|---|----------|
| Recommendations for 2003-2005 Biennium | 10 |
|---|----------|

| | |
|---|----------|
| Recommendations for 2005-2007 Biennium | 10 |
|---|----------|

| | |
|--|---------|
| Explanation of Budget Adjustments | 11 |
|--|---------|

| | |
|--|----------|
| Agriculture, Environment, and Natural Resources | |
| Dry Bean Commission | 12 |
| Environmental Quality, Department of | 12 |
| Natural Resources, Department of | 12 |

| | |
|-------------------------------------|----------|
| Economic Development | |
| Banking & Finance, Department of | 12 |
| Economic Development, Department of | 13 |
| Insurance, Nebraska Department of | 13 |
| Labor, Department of | 13 |
| Liquor Control Commission | 13 |
| Public Service Commission | 13 |

| | |
|---|----------|
| Human Resources Development | |
| Education, Department of | 14 |
| Educational Telecommunications Commission, Nebraska | 14 |
| Foster Care Review Board | 14 |
| Health & Human Services System | 15 |
| Health & Human Services | 15 |
| Health & Human Services – Finance & Support | 15 |
| Health & Human Services – Regulation & Licensure | 17 |

| | |
|--|----------|
| Historical Society, Nebraska State | 17 |
| Postsecondary Education, Coordinating Commission for | 17 |

| | |
|---|----------|
| Public Finance | |
| Administrative Services, Department of | 18 |
| Property Assessment and Taxation, Department of | 18 |
| Retirement Systems, Nebraska Public Employees' | 18 |
| Revenue, Department of | 19 |

| | |
|---|----------|
| Public Safety | |
| Attorney General | 19 |
| Correctional Services, Department of | 19 |
| Equal Opportunity Commission | 20 |
| Parole Board | 20 |
| Public Advocacy, Nebraska Commission on | 20 |
| State Fire Marshal | 20 |
| State Patrol, Nebraska | 21 |
| Supreme Court | 21 |

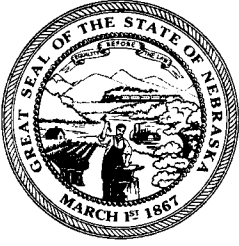
| | |
|-------------------------------|----------|
| Transportation | |
| Aeronautics, Department of | 22 |
| Motor Vehicles, Department of | 22 |

| | |
|-----------------------------|----------|
| Capital Construction | 22 |
|-----------------------------|----------|

| | |
|--|----------|
| Summary of Mid-Biennium Appropriation Adjustments | 25 |
|--|----------|

| | |
|--|----------|
| Prioritized Percentage Base Budget Reductions | 33 |
| 0% Reduction | 35 |
| 1% Reduction | 37 |
| 2.5% Reduction | 38 |

| | |
|--|----------|
| Appendices | 39 |
| Budget Division Staff and Their Agency Assignments | 41 |
| State Agencies (Alphabetical Order) | 42 |



General Fund Financial Status

The General Fund Financial Status provides a summary of the State's financial condition including the impact of the Governor's 2003-2005 mid-biennium budget proposals. While Nebraska operates with a biennial budget, the version of the Status shown in this document includes an additional two years of estimated revenues and appropriations for planning purposes.

The revenue portion of the Status shows the net General Fund tax receipts for the most recently completed fiscal year, the forecast for the two fiscal years of the 2003-2005 biennium as adopted by the Economic Forecasting Advisory Board at its October 2003 meeting, and the projection for the two fiscal years of the 2005-2007 biennium as presented to the Tax Rate Review Committee in November of 2003 by the Legislative Fiscal Office.

The Governor's mid-biennium recommendations propose certain transfers and legislation which are reflected in the revenue portion of the General Fund Financial Status.

- The Governor is proposing the transfer of \$58,191,862 from the Cash Reserve Fund to the General Fund in FY2003-04. This amount is the flexible federal fiscal relief provided to Nebraska pursuant to the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (PL108-27).
- The Governor is proposing the transfer of \$4,100,000 of unanticipated cash settlements resulting from a nationwide investigation of securities firms from the Securities Act Trust Fund to the General Fund in FY2003-04.
- The Governor is proposing the transfer of \$1,000,000 in FY2003-04 and \$1,000,000 in FY2004-05 from the Insurance Cash Fund to the General Fund.
- The Governor is proposing the transfer of \$1,000,000 in FY2003-04 and \$2,000,000 in FY2004-05 from the Motor Vehicles Cash Fund to the General Fund.
- The Governor is proposing the transfer of \$650,000 in FY2003-04 from the Education Innovation Fund to the General Fund.

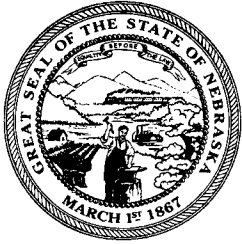
The General Fund Financial Status includes additional revenue of \$650,000 in FY2004-05, \$2,486,000 in FY2005-06, and \$2,548,000 in FY2006-07, as a result of legislation to require tax withholding on 1099-MISC payments to certain workers. The Governor's mid-biennium recommendations include no tax increases.

The appropriations shown for the 2003-2005 biennium are those adopted during the 2003 Legislative Session. The Governor's mid-biennium recommendations for the 2003-2005 biennium include General Fund appropriation or reappropriation reductions of \$94.2 million and supplemental General Fund appropriations of \$46.5 million for a net reduction in General Fund appropriations of \$47.7 million. Structural balance (receipts exceed appropriations) is established for each year of the 2003-2005 biennium and the cash reserve transfer is limited to the one-time unanticipated federal fiscal relief. The balance of the Cash Reserve Fund is necessary for cash flow management.

The Governor recommends that the 2004 Legislative Session be used to plan and prepare for development of the 2005-2007 biennial budget. The Governor supports legislation to extend the temporary aid adjustment factor and the \$1.05 levy limit for purposes of determining TEEOSA school aid. In addition, the current 3.25 percent increase factor for State employee salaries in the next biennium should be changed to 1.5 percent. The minimum reserve in the General Fund should be set at 4 percent instead of the customary 3 percent as a balance against optimistic projections of 6.9 percent revenue growth in the 2005-2007 biennium. Structural balance (receipts exceed appropriations) is established, a larger General Fund operating reserve is created, and the Cash Reserve Fund is maintained.

GENERAL FUND FINANCIAL STATUS
Governor's Recommendations
January 15, 2004

| | | Biennial Budget | | | | Est. for Next Biennium | |
|----|---|-----------------|---------------|---------------|---------------|------------------------|--|
| | | FY2002-03 | FY2003-04 | FY2004-05 | FY2005-06 | FY2006-07 | |
| 1 | <u>Beginning Balance</u> | | | | | | |
| 2 | Beginning Cash Balance | \$55,970,978 | \$2,654,247 | \$7,747,317 | \$42,651,430 | \$119,683,019 | |
| 3 | Cash Reserve Fund transfer-Cash Flow | | (30,000,000) | | | | |
| 4 | Carryover obligations from FY03 | | (79,504,848) | | | | |
| 5 | Allocation for potential deficits | | see below | (5,000,000) | (5,000,000) | (5,000,000) | |
| 6 | Unobligated Beginning Balance | 55,970,978 | (106,850,601) | 2,747,317 | 37,651,430 | 114,683,019 | |
| 7 | <u>Estimated Receipts</u> | | | | | | |
| 8 | Net Receipts (NEFAB forecast; LFO hist. avg.) | 2,453,579,418 | 2,651,000,000 | 2,814,000,000 | 2,989,000,000 | 3,200,000,000 | |
| 9 | General Fund transfers-out | (5,300,000) | (1,640,000) | (1,640,000) | (1,640,000) | (1,640,000) | |
| 10 | General Fund transfers-in | In Receipts | In Receipts | In Receipts | | | |
| 11 | Cash Reserve Fund transfers (Legislative) | 87,400,000 | 3,000,000 | (19,500,000) | | | |
| 12 | Cash Reserve Fund transfers (Cash Flow) | 30,000,000 | | | | | |
| 13 | 2004 Session - Cash Reserve Fund transfer | | 58,191,862 | | | | |
| 14 | 2004 Session - General Fund transfers-in | | 6,100,000 | 3,000,000 | | | |
| 15 | 2004 Session - Legislation | | 650,000 | 650,000 | 2,486,000 | 2,548,000 | |
| 16 | General Fund Net Receipts | 2,565,679,418 | 2,717,301,862 | 2,796,510,000 | 2,989,846,000 | 3,200,908,000 | |
| 17 | <u>Appropriations</u> | | | | | | |
| 18 | Appropriations | 2,618,996,149 | 2,655,289,608 | 2,751,630,516 | 2,751,630,516 | 2,751,630,516 | |
| 19 | 2004 Session - Claims Bill | | 435,776 | | | | |
| 20 | 2004 Session - Recommended Reductions | | (67,162,561) | (27,013,060) | (25,064,171) | (25,064,171) | |
| 21 | 2004 Session - Recommended Increases | | 14,141,121 | 31,988,431 | 33,351,640 | 32,564,140 | |
| 22 | TEEOSA - Continue LB 898 & 95 cent LER | | | | (81,434,505) | (84,700,041) | |
| 23 | Employee Salary Increase @ 1.5% | | | | (14,644,415) | (29,764,773) | |
| 24 | LFO Estimate - Next Biennium | | | | 243,975,346 | 430,272,647 | |
| 25 | General Fund Appropriations | 2,618,996,149 | 2,602,703,944 | 2,756,605,887 | 2,907,814,411 | 3,074,938,318 | |
| 26 | <u>Ending Balance</u> | | | | | | |
| 27 | Dollar ending balance | 2,654,247 | 7,747,317 | 42,651,430 | 119,683,019 | 240,652,701 | |
| 28 | Biennial Reserve (%) | -- | -- | 0.78% | -- | 4.02% | |
| 29 | Variance from Minimum Reserve | -- | -- | (117,148,554) | -- | 906,338 | |
| 30 | Minimum Reserve @ 3% FY05, 4% FY07 | -- | -- | 159,799,984 | -- | 239,746,363 | |
| 31 | Annual Spending Growth | 0.8% | -0.6% | 5.9% | 5.5% | 5.7% | |
| 32 | Two Year Average Growth | -- | -- | 2.6% | -- | 5.6% | |



Cash Reserve Fund Status

The Cash Reserve Fund was created in 1983 to provide a source of funds for temporary transfers to the State General Fund when balances are not sufficient to process expenditure transactions. The original balance in the Cash Reserve Fund was accumulated through the imposition of an increase in the sales tax. The movement of monies between the Cash Reserve Fund and the General Fund for cash management purposes has been governed by a variety of legislation over the life of the Fund. Also, there have been several instances in which money was moved to and from the Cash Reserve Fund to accomplish policy initiatives that were not related to cash management.

Current law provides that actual General Fund revenues in excess of the certified forecast at the end of the fiscal year are to be transferred to the Cash Reserve Fund. The most recent such transfer occurred in July of 2000 when approximately \$77.6 million was moved from the General Fund to the Cash Reserve Fund.

LB 1085 of the 2002 regular legislative session contained a 30 cent cigarette tax increase for two years with those receipts estimated at \$64 million credited to the Cash Reserve Fund during fiscal years 03, 04, and 05. LB 1 of the 2002 Special Session transferred \$14.4 million from the Highway Trust Fund to the Cash Reserve Fund during fiscal year 03. LB798 of the 2003 Legislative Session contained provisions that resulted in deposits to the Cash Reserve Fund during State fiscal years 03 and 04 of two federal payments to Nebraska under the federal "Jobs Growth and Tax Relief Act of 2003" totaling approximately \$58.2 million.

Transfers to/from the Cash Reserve Fund scheduled under current law include: \$3 million to the General Fund in June 2004, \$3 million to the General Fund in June 2005, \$19 million from the General Fund in June 2005, and a total of \$5,727,707 to the Nebraska Capital Construction Fund in fiscal years 04, 05, 06, and 07. A "repayment" of this later transfer from the General Fund to the Cash Reserve Fund occurs in fiscal year 08.

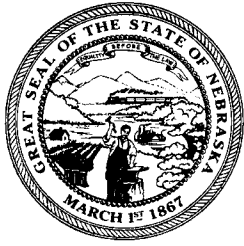
The Governor is recommending that the \$58.2 million provided to the State of Nebraska under the federal "Jobs Growth and Tax Relief Act of 2003" be transferred during FY2003-04 from the Cash Reserve Fund to the General Fund. This will permit the State to continue providing essential government services, such as health care and education, during State fiscal year 2004, as approved in our most recently enacted budget (2003 legislative session).

Two separate administrative transfers of \$30 million each from the Cash Reserve Fund occurred during June 2003 and July 2003 to provide the necessary cash balance in the General Fund to make payments for State services and aid. These administrative transfers were reversed (re-paid) in August 2003. The Governor's mid-biennium recommendations include no transfers other than the flexible federal fiscal relief monies from the Cash Reserve Fund. It is necessary to maintain the remaining balance of this fund to provide an adequate operating reserve.

CASH RESERVE FUND STATUS

| | | | Biennial Budget | | Est. for Following Biennium | |
|----|---|--------------|-----------------|-------------|-----------------------------|-------------|
| | | FY2002-03 | FY2003-04 | FY2004-05 | FY2005-06 | FY2006-07 |
| 1 | Beginning Balance | 110,066,099 | 59,142,545 | 89,372,790 | 116,233,932 | 113,804,628 |
| 2 | To/From Gen Fund per Current Law | (87,400,000) | (3,000,000) | 19,500,000 | | |
| 3 | To/From Gen Fund (Cash Flow) | (30,000,000) | 30,000,000 | | | |
| 4 | 2004 Session - To/From General Fund | | (58,191,862) | | | |
| 5 | Cigarette tax and stamps discount change | 22,980,515 | 32,711,983 | 8,119,322 | | |
| 6 | Muni Natural Gas Revolving Fund - transfer in | | 370,000 | | | |
| 7 | Highway Trust (MV sales tax) - transfer in | 14,400,000 | | | | |
| 8 | Federal Flexible Grant | 29,095,931 | 29,095,931 | | | |
| 9 | To NCCF for Douglas Cnty Vets Home | | (755,807) | (758,180) | (2,429,304) | (1,784,416) |
| 10 | Ending Balance | 59,142,545 | 89,372,790 | 116,233,932 | 113,804,628 | 112,020,212 |

Mid-Biennium Budget Adjustments



Mid-Biennium Budget Adjustments

Introduction

The attention of Nebraskans and many of the issues addressed by the Governor and the Nebraska Legislature during these first four years of the 21st century have been directly related to the following events: the 2001 economic recession, the September 11, 2001 attack on our nation, war, guaranteeing the security and health of our citizens, the effects of adverse weather, and the stewardship of our natural resources.

The Governor and the Legislature during two regular and two special legislative sessions from 2001 to 2003 have undertaken the difficult tasks to draw the necessary balance between the services and assistance demanded of State government and the capacity of the citizenry to finance them. At the beginning of the 2003 Legislative Session the Governor outlined three financial imperatives to accomplish in order to maintain a sound financial plan for the 2003-2005 budget biennium: 1) provide at least the required minimum General Fund reserve of three percent to aid cash flow, 2) establish a positive structural balance between net General Fund receipts and General Fund appropriations, and 3) preserve the current balance and rebuild the Cash Reserve Fund to protect against further possible adverse financial problems. There were differences between the Governor and Legislature in approach and the specific tax and spending measures enacted during the 2003 Legislative Session but these three financial imperatives were accomplished in the enacted 2003-2005 biennial budget. Nebraska's response to budget difficulties has been based upon reasoned policy and priority choices with an

eye to the future and not dependent upon financial gimmickry or indebtedness.

The pursuit of these financial imperatives to protect against further possible adverse financial problems during the 2003-2005 budget biennium has proven critically important. The State ended the 2001-2003 budget biennium, \$60 million short of the final forecast for FY2002-03. This necessitated the short-term borrowing and repayment of \$60 million from the Cash Reserve Fund. On October 31, 2003, the Nebraska Economic Forecasting Advisory Board reduced revenue forecasts for the current biennium by \$197.7 million, \$80.9 million in FY2003-04 and \$116.8 million in FY2004-05. On November 20, 2003, the Legislative Fiscal Office reported a \$211 million budget gap for the 2003-2005 biennium as a consequence of revisions to current biennium forecasts of net General Fund tax receipts and State agency requests for supplemental (deficit) appropriations. This budget gap estimate recognized a reduction in FY2003-04 General Fund appropriations of \$43.1 million that is possible due to a temporary increase in federal fund participation in Medicaid costs under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. The budget gap also assumes a \$158 million operating reserve in the State General Fund.

Call For Reforms

In the midst of economic adversity and budget difficulties the Governor and the Legislature have continued to pursue reforms to improve the use of our limited

resources and to ensure that State services are responsive to current demands and future needs of Nebraskans. Executive and/or legislative initiatives, task force studies, law/policy/rule changes, and redirection of resources are occurring in a number of areas throughout State government. In fact, the Legislature included a call for reforms in the 2003-2005 mainline budget bill LB407.

There have been specific reform efforts in many areas including community corrections, education, contract management, water policy, mental health, and child protection. The Governor's mid-biennium budget recommendations underscore the importance of these reform efforts by including financing support for specific initiatives while at the same time providing a framework for managing the 2003-2005 biennium budget gap caused by a reduction in forecasted tax receipts. The Governor's recommendations include no tax increases.

Recommendations For 2003-2005 Biennium

The Governor's mid-biennium budget recommendations for the current 2003-2005 biennium include: 1) \$68.7 million of additional revenue to the General Fund, 2) \$94.2 million in reductions to current General Fund appropriations, and 3) \$46.5 million in supplemental (deficit) General Fund appropriations for specific purposes.

The \$68.7 million additional General Fund revenue made available to the State since enactment of the current biennial budget include: \$58.2 million of federal fiscal relief funds from the Cash Reserve Fund, \$4.1 million of Wall Street Global Settlement funds from the Securities Act Cash Fund, \$2.0 million from the Insurance Cash Fund, \$3.0 million from the Motor Vehicles Cash Fund, and \$1.4 million from other sources. The remaining balance in the Cash Reserve Fund should be maintained for purposes of addressing cash flow difficulties that may develop during fiscal years 2003-04 and 2004-05.

The \$94.2 million of reductions to current General Fund appropriations include: 1) a \$43.2 million reduction in State funding of Medicaid because of a temporary increase in federal funding of Medicaid, 2) \$40.2 million of specific reductions including one-time operational savings and revised estimates of medical costs at the Department of Corrections, savings in State funding at Health and Human Services from Medicaid financing of enhanced treatment group home care, lower than anticipated costs for financing State employee health insurance, and continued deferral of new construction depreciation assessments, and 3) \$10.8 million in prioritized percentage base budget reductions in fiscal year 2004-05 appropriations of 0, 1, or 2.5 percent.

The \$46.5 million in supplemental (deficit) General Fund appropriations include: \$9 million for child protection, \$2.5 million for mental health emergency protective custody (in addition, \$6 million in cash fund appropriations are provided for the one-time transitional costs for mental health care reform and \$3.5 million in annual cash fund appropriations to develop or provide housing for persons with chronic mental illness), \$2.5 million for water policy initiatives, \$5 million for revised estimates of fiscal year 2004-05 TEEOSA school aid, \$7.2 million for revised estimates of homestead exemption costs, \$7.3 million to finance continued operation of the Lincoln Correctional Center, \$8.0 million to finance additional transitional Medicaid coverage costs due to beneficiary litigation, and \$1.6 million to finance the State's legal defense of the lawsuit filed by four school districts.

Recommendations For 2005-2007 Biennium

The Governor also recommends that the 2004 legislative session be used to plan and prepare for development of the 2005-2007 biennial budget. Specific consideration should be given to the implications of recent revenue forecast revisions, the sustainability of current law projections of spending, the continuing

effects of mid-biennium budget recommendations, and the maintenance of an adequate operating reserve in the General Fund and the reserve in the Cash Reserve Fund.

The revenue estimates developed by the Legislative Fiscal Office for the 2005-2007 budget biennium (State fiscal years 2005-06 and 2006-07) and included in this publication were prepared by the Legislative Fiscal Office using the "capped" historical average methodology. Consequently, these estimates assume General Fund revenue will grow at an above average rate of 6.9 percent each year. Revenue growth in our two most recently completed fiscal years, 2001-02 and 2002-03, were -3.1 percent and -.5 percent, respectively. Our most recently completed five years of actual receipts have averaged 2.7 percent growth. The average of all estimates prepared by the Department of Revenue and the Legislative Fiscal Office using econometric forecasting methodology predicts an average two-year growth in revenues during the 2005-2007 biennium of 5.3 percent. In order to balance the above average forecasting of revenue growth of 6.9 percent in the 2005-2007 biennium, the Governor is recommending that next biennium planning numbers include a minimum General Fund Reserve of 4 percent instead of the customary 3 percent. This additional caution regarding revenue forecasts is prudent based upon our recent experience.

While State General Fund revenues have grown at a historical average of 5.1 percent, the planning estimate for spending increases for State fiscal years 2005-06 and 2006-07 is 8.8 and 6.2 percent, respectively. These estimated growth rates do not include additional growth associated with any necessary supplemental (deficit) appropriations approved during the 2004 legislative session. Spending growth rates in excess of the growth in revenue foretell a structural imbalance in the budget that can only be resolved through revenue increases or further budget reductions.

Spending estimates for the following biennium include a 3.25 percent increase factor each year for State employee salaries. The Governor recommends that this

planning estimate be based upon a 1.5 percent increase factor.

The TEEOSA school aid estimates for State fiscal years 2005-06 and 2006-07 indicate an increase of 20 and 7 percent, respectively. The Governor will support legislation to extend the temporary aid adjustment factor and the maximum levy of one dollar five cents per one hundred dollars of valuation available to school districts and multiple district school systems. This will continue to provide for increases in State aid to schools of over seven percent in each year of the next biennium.

The continuing effects of the Governor's mid-biennium budget recommendations for the current 2003-2005 biennium and the recommendations noted for the 2005-2007 biennium produce a budget outlook that includes structural balance (general fund receipts exceed general fund appropriations), an improved minimum operating reserve of 4 percent in the General Fund to balance optimistic revenue forecasts, and maintenance of the remaining Cash Reserve Fund balance.

Explanation of Budget Adjustments

The Governor's mid-biennium budget recommendations include changes to appropriations for State fiscal years 2003-04 and 2004-05. These changes are explained in the following narrative and summarized in the table presented on pages 27 to 32 of this booklet. In addition, the continuing effects of recommended changes to the current budget biennium and additional specific recommendations to plan for the 2005-2007 budget biennium are also explained in the accompanying narrative and summarized in the General Fund Financial Status presented on page 2 of this booklet.

Prioritized Levels of FY2004-05 Appropriation Reductions – The Governor's recommendation assigns priorities for further reductions in

appropriations by setting a 0, 1, or 2.5 percent base budget reduction level for the second year of the current budget biennium. Approximately \$1.9 billion, or 72 percent of the \$2.75 billion FY2004-05 General Fund appropriations are assigned a 0 percent base budget reduction. Approximately \$558 million, or 20 percent of FY2004-05 appropriations are assigned a 1 percent base budget reduction. Finally, \$208 million, or 8 percent of FY2004-05 appropriations are assigned a 2.5 percent base budget reduction. The tables on pages 35 to 38 identify the assignment of these priorities and the recommended level of reductions in FY2004-05 General Fund appropriations.

Health, Property, and Liability

Insurance – During the 2003 Legislative Session, the Legislature provided additional funding to agencies to finance the estimated increase in employer costs for the State employee health insurance plan. The Department of Administrative Services has since finalized the health insurance plan. The actual growth in the cost of premiums for employee health insurance for the 2004 calendar year is substantially less than the appropriations provided by the Legislature.

The Department of Administrative Services also recently announced an increase in State property and liability insurance rates.

The Governor recommends that agency appropriations be reduced beginning in FY2003-04 due to lower than anticipated growth in health insurance premiums for the 2004 calendar year and that such reductions be offset where appropriate for the increased property and liability insurance assessment.

The net result is a total reduction in appropriations to the various State agencies in the following amounts:

| | <u>FY2003-04</u> | <u>FY2004-05</u> |
|-----------------|------------------|------------------|
| General Funds | \$4,120,540 | \$4,119,433 |
| Cash Funds | \$1,668,115 | \$1,667,505 |
| Federal Funds | \$1,364,844 | \$1,364,844 |
| Revolving Funds | \$292,366 | \$293,473 |
| | \$7,445,865 | \$7,445,255 |

Appropriations to the University of Nebraska and State Colleges are not reduced for lower health insurance costs.

Agriculture, Environment, and Natural Resources

Dry Bean Commission – The Dry Bean Commission requested \$6,115 in FY2003-04 and \$24,950 in FY2004-05 for Personal Services Limitation authority to allow the hiring of a part-time administrative staff person.

The Governor's recommendation includes this adjustment in personal service limitation.

Environmental Quality, Department of – The Department of Environmental Quality requested an additional \$145,000 in General Funds and \$75,927 in increased Personal Services Limitation authority for FY2004-05 to maintain agency operations for the Livestock program.

The Governor's recommendation includes funding for this request.

The Department of Environmental Quality requested \$145,000 in increased Federal Fund appropriation and \$75,927 in additional Personal Services Limitation authority for FY2004-05 to allow the Groundwater Remediation Division to manage the increased workload demands for this program.

The Governor's recommendation includes funding for this request.

Natural Resources, Department of – The Governor's recommendation includes \$2,500,000 in General Funds in FY2004-05 to finance the recommendations of the Water Policy Task Force.

Economic Development

Banking and Finance, Department of – In FY2003-04, the State of Nebraska is expected to receive approximately \$4.1 million in settlements resulting from a nationwide investigation into nine Wall Street securities firms. The Nebraska Department of Banking and Finance negotiated the global settlement

amounts for Nebraska and will receive the payments into the Securities Act Cash Fund.

Laws 2003, LB 407, Section 267(1)(e), as enacted, established two transfers of \$7,500,000 from the Securities Act Cash Fund to the General Fund: one on or before September 30, 2003 and one on or before March 30, 2004.

The Governor's recommendation includes an additional transfer from the Securities Act Cash Fund to the General Fund on or before June 15, 2004, of the \$4.1 million from this Wall Street Global Settlement.

Economic Development, Department of – The Governor recommends increasing Cash Fund appropriations for FY2004-05 by \$2,000,000, to a total of \$7,000,000, in order to allow the Department of Economic Development, in coordination with the Department of Health and Human Services, to develop or provide up to \$3,500,000 for housing-related costs for persons with chronic mental illness.

Insurance, Nebraska Department of – Laws 2003, LB 407, Section 267(1)(g) and Section 267(2)(f), as enacted, established two transfers of \$1,000,000 each from the Insurance Cash Fund to the General Fund, for both FY2003-04 and FY2004-05.

The Governor's recommendation includes two additional transfers from the Insurance Cash Fund to the General Fund: one on or before June 15, 2004, and one on or before June 15, 2005, each for \$1 million.

Labor, Department of – The Department of Labor requested an increase of \$2,155,914 of Reed Act Federal Fund appropriation, and \$163,335 of additional Personal Services Limitation authority for FY2004-05 for a series of actions related to the Unemployment Insurance functions of the Department, including: (1) \$360,000 for a replacement laser printer to handle Unemployment Insurance checks; (2) \$950,000 for safety and efficiency upgrades to the existing Department of

Labor/Unemployment Insurance Administration Building, including asbestos removal; (3) \$60,000 for consulting services and research concerning the current record- retention and web-based "UI Connect" systems; (4) \$100,000 and \$46,154 of Personal Services Limitation authority for enhancements to the Nebraska Job Link system; (5) \$152,336 and \$117,181 of Personal Services Limitation authority for expansion of the Department's Re-employment Services Program; and, (6) \$533,578 to replace and upgrade the Department's network infrastructure, including servers, software and hardware.

The Governor's recommendation includes funding for these requests.

The Department of Labor requested an increase of \$2,390,000 of Reed Act Federal Fund appropriation for FY2004-05 and \$765,000 appropriation for FY2005-06 for the purchase of a new Unemployment Insurance Building and Grounds.

The Governor's recommendation does not include funding for this request.

Liquor Control Commission – The Liquor Control Commission requested \$28,345 of General Funds, and an additional \$25,358 of Personal Services Limitation authority for FY2003-04 to cover the retirement costs of the agency director, who retired December 31, 2003.

The Governor's recommendation includes funding for this request.

Public Service Commission – The Public Service Commission requested a total of \$14,995 for FY2003-04, and \$51,441 for FY2004-05 in Cash Funds; and Personal Services Limitation authority totaling \$9,267 for FY2003-04, and \$38,454 for FY2004-05, to support the continued implementation of Enhanced Wireless E-911.

The Governor's recommendation includes funding for this request.

The Public Service Commission requested a total of \$71,966 for FY2003-04, and \$55,040 for FY2004-05 in Cash Funds, and Personal Services Limitation authority totaling \$31,049 for FY2003-04 and

\$36,120 for FY2004-05 in Universal Service Fund to support the Nebraska Telephone Assistance Program, formerly known as the Lifeline and Link-Up program.

The Governor's recommendation includes funding for this request.

Human Resources Development

Education, Department of – The Department of Education requested \$264,332 in General Funds to fully fund the enrollment option transportation reimbursement program for State FY2003-04. The Department proposed in its budget modification report, to eliminate funds for this program in FY2003-04. In the August, 2002 Special Session, the Governor and Legislature accepted this modification and funding was eliminated for the program.

The Governor's recommendation does not include funding for this request.

The Department of Education requested to have General Funds restored for the Vocational Rehabilitation Program in the amounts of \$252,000 and \$225,000 for FY2003-04 and FY2004-05. This program was reduced to its maintenance of effort level or a base reduction of approximately seven percent in the 2003 Legislative Session.

The Governor's recommendation does not include funding for this request.

The Governor's recommendation includes funding TEEOSA school aid at the Department's certification for FY2003-04 and current estimate made by the Department for FY2004-05. This requires adjustments to the Department's General Fund appropriations. The adjustments include a decrease in FY2003-04 of \$578,113 and an increase in FY2004-05 of \$5,554,321.

The Governor's recommendation includes a reduction of \$1,000,000 in the statewide assessment and reporting General Fund reappropriation. This reappropriation (carryover) has increased from \$917,077 for the biennium ending June 30, 2001 to \$1,516,226 for the

biennium ending June 30, 2003. In addition, the Department is appropriated \$1,607,000 General Funds in FY2003-04 and \$1,607,000 in FY2004-05 for the assessment and reporting function. The Department will receive significant federal support to meet the Federal requirements of No Child Left Behind.

The Governor will support legislation to transfer \$650,000 of excess funds from the Education Innovation Fund to the General Fund.

These reductions in administrative reappropriations and transfers will be used to help offset an estimated \$2.4 million in General Fund expenditures required to defend the State in the existing lawsuit filed by certain Nebraska school districts.

The Governor will support legislation to change TEEOSA school aid for the 2005-07 budget biennium. This includes an extension of the temporary aid adjustment factor and the maximum levy of one dollar five cents per one hundred dollars of valuation available to school districts and multiple district school systems. With the adoption of these changes in TEEOSA, State aid to local school districts will continue to experience significant growth. The modeling of these changes in the subsequent biennium is projecting annual increases in State aid to schools of over seven percent.

Educational Telecommunications Commission, Nebraska – The Educational Telecommunications Commission requested \$9,870 in General Funds in FY2003-04 for Associated Press Fees for Nebraska Public Radio (KUCV). The request represents the first year of a three-year increase.

The Commission has excess unobligated cash fund balances; therefore, the Governor's recommendation funds the request from cash funds.

Foster Care Review Board – The Foster Care Review Board requested that the Personal Services Limitation authority be increased by \$33,629 in FY2003-04 and \$33,629 in FY2004-05 to reflect the correct application of a budget modification adopted in the 2003 Legislative Session.

The Governor's recommendation includes the requested Personal Services Limitation authority.

Health and Human Services

System – The Departments of Health and Human Services and Health and Human Services – Finance and Support request that \$19,456 General Funds, \$19,457 Federal Funds, and \$30,640 Personal Services Limitation authority be transferred from Health and Human Services to Health and Human Services – Finance and Support for both FY2003-04 and FY2004-05. The directors of the respective agencies have determined that a position currently located and funded in the Protection and Safety Division of Health and Human Services would better serve the Health and Human Services system if the position were located in the Medical Services Division of Health and Human Services – Finance and Support.

The Governor's recommendation includes the requested transfer of appropriation and Personal Services Limitation authority.

The Department of Health and Human Services System requested an increase in General Funds of \$2,578,456 and decrease of \$2,578,456 Federal Funds for FY2004-05 to estimate the impact of an anticipated change in the Medicaid federal funds participation rate. The federal Department of Health and Human Services has not yet finalized the federal FY2005 federal funds participation rate.

The Governor's recommendation does not include the funding changes in these requests.

The Governor's recommendations include a reduction of \$43,153,639 General Funds and an increase of \$43,153,639 Federal Funds for FY2003-04 based on the temporary increase in federal matching funds available for Medicaid with the passage of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

The Governor will support legislation that reduces the age of majority on a limited basis from 19 to 18 years of age in the Nebraska Juvenile Code. The Governor's recommendations for FY2004-

05 include reductions of \$949,211 General Funds and \$36,878 Federal Funds in Health and Human Services System programs to reflect the change in age of majority in the Nebraska Juvenile Code.

Health & Human Services – The Governor recommends increasing the Cash Fund appropriation to the Department of Economic Development, for FY2004-05 by \$2,000,000, to a total of \$7,000,000, to allow the Department of Economic Development, in coordination with the Department of Health and Human Services, to use the Affordable Housing Trust Fund to develop or provide up to \$3,500,000 for housing-related costs for persons with chronic mental illness.

The Governor recommends that the Director of the Department of Health and Human Services be authorized to use FY2003-04 and FY2004-05 appropriations made to the Mental Health Operations program for the development or provision of community-based behavioral health services.

The Governor's budget recommendation includes \$2,420,000 General Funds and \$400,000 Federal Funds for FY2003-04 as well as \$6,420,000 General Funds and \$1,100,000 Federal Funds for FY2004-05 to implement recommendations contained in "A Roadmap to Safety for Nebraska's Children," prepared by The Children's Task Force in December, 2003. The Governor's budget recommendation also includes \$80,000 General Funds and \$145,000 Revolving Funds for FY2003-04 and \$80,000 General Funds and \$375,000 Revolving Funds for FY2004-05 for the Child Protection Division of the Attorney General's Office to provide additional staffing and for assistance in prosecuting crimes against children by state and local prosecutors.

Health & Human Services – Finance & Support – The Department of Health and Human Services – Finance and Support requested a change in the intent language that establishes the general fund earmark for substance abuse and mental health aid within budget Program 038 –

Behavioral Health Aid. An increase of \$123,399 General Funds for FY2003-04 and \$294,463 General Funds for FY2004-05 in the substance abuse earmark and corresponding decreases in the mental health earmarks are necessary to maintain the \$5,521,139 General Fund maintenance of effort level for substance abuse aid. There is no change requested in the amounts appropriated to Program 038 – Behavioral Health Aid in FY2003-04 and FY2004-05.

The Governor's recommendation includes the requested change in intent language.

The Department of Health and Human Services – Finance and Support requested \$9,143,538 Cash Fund spending authority for FY2003-04 to allow for continued implementation of the requirements of the federal Health Insurance Portability and Accountability Act (HIPPA). This funding was authorized by the Legislature in the previous budget biennium but will be utilized in the current biennium to meet HIPPA requirements.

The Governor's recommendation includes funding of this request.

The Department of Health and Human Services – Finance and Support requested a transfer of \$9,550,000 General Funds and \$19,860,000 Federal Funds for FY2003-04 and \$10,505,000 General Funds and \$21,846,000 Federal Funds for FY2004-05 from Program 348 – Medicaid to Program 344 – Children's Health Insurance Program (CHIP). The requested transfer of appropriation reflects a shift in eligibility of children in the respective programs due to changes in legislation adopted during the 2002 Special Session of the Legislature.

The Governor's recommendations include the requested transfer of appropriation.

The Department of Health and Human Services – Finance and Support requested a decrease of \$2,137,491 in the FY2003-04 Cash Fund appropriation in Program 344 – Children's Health Insurance Program (CHIP) to provide an appropriation for the program consistent with the funds actually available for expenditure in the program.

The Governor's recommendations include the requested decrease in Cash Fund spending authority.

The Department of Health and Human Services – Finance and Support requested a transfer of \$3,000,000 General Funds for FY2003-04 and \$3,000,000 General Funds in FY2004-05 from Program 347 – Public Assistance to Program 348 – Medicaid to accurately reflect how Enhanced Treatment Group Home services are financed. Changing the source of funding for the Enhanced Group Home Treatment Services from Public Assistance to Medicaid also provides the opportunity to generate federal matching funds.

The Governor's recommendations include the requested transfer of General Fund appropriation. The Governor's recommendations also include an additional General Fund reduction in Program 347 – Public Assistance of \$4,200,000 in FY2003-04 and FY2004-05 and corresponding increases in Federal Fund authority in Program 348 – Medicaid to account for the increase in federal match generated and the decrease in State general funds required to provide the Enhanced Group Home Treatment services. This change, accompanied by passage of legislation changing the age of majority, provides significant funding necessary to implement improvements in child protective services recommended by the Children's Task Force.

The Department of Health and Human Services – Finance and Support has requested \$6,900,000 General Funds and \$10,300,000 Federal Funds for FY2003-04, as well as \$1,100,000 General Funds and \$1,700,000 Federal Funds for FY2004-05 in Program 348 – Medicaid. The additional funding is required as a result of a U.S. District Court decision requiring the department to provide Transitional Medical Assistance to a number of individuals who lost Medicaid eligibility with the implementation of LB 8, Second Special Session, 2002.

The Governor's recommendations include funding of this request.

The Department of Health and Human Services – Finance and Support has requested an increase in Program 514 –

Health Aid of \$66,724 General Funds for FY2003-04 and \$66,724 General Funds for FY2004-05 to fund increased medication and treatment costs associated with the State tuberculosis program.

The Governor's recommendations include funding of this request.

The Department of Health and Human Services – Finance and Support has requested an increase of \$250,000 Cash Funds for FY2003-04 and \$250,000 Cash Funds for FY2004-05 in Program 514 – Health Aid. The funds would be used to support the administration, follow-up and operation of the newborn screening program and central registry. The funds could also be used to support treatment costs for newborns identified with metabolic disorders. The majority of the requested funding was originally contained in LB 235A, 2002, but was inadvertently left out of the program budget base in the biennial budget request.

The Governor's recommendations include funding this request.

The Governor's recommendations include the use of an additional \$80,000 available cash fund balance to fund Program 514 – Health Aid for FY2004-05. There is a corresponding decrease in the FY2004-05 \$80,000 General Funds for the program.

The Governor recommends that \$2,500,000 General Funds for FY2004-05 be used for the cost of maintenance and treatment of persons in emergency protective custody under the Nebraska Mental Health Commitment Act.

The Governor recommends that \$6,000,000 Cash Funds for FY2003-04 from the Nebraska Health Care Cash Fund to be used for transitioning regional center-based behavioral health services to community-based behavioral health services.

Health & Human Services – Regulation and Licensure – The department began collecting \$.50 per driver's license in January 2002 to carry out the purposes of the Statewide Trauma System Act and the Emergency Medical

Services Act. The Department of Health and Human Services – Regulation and Licensure has requested \$250,000 Cash Funds in FY2003-04 and \$250,000 Cash Funds FY2004-05 to allow the program to make needed expenditures resulting from the startup efforts in FY2001-02 and FY2002-03.

The Governor's recommendation includes the requested FY2003-04 and FY2004-05 Cash Fund spending authority.

Historical Society, Nebraska State – The Society requested \$20,600 in General Funds for FY2003-04 to replace boilers in the Museum of Nebraska History.

The Society is receiving 309 Task Force support to fund the majority of this project. The Society has also budgeted over \$150,000 in the current fiscal year for repair and maintenance expenditures.

The Governor's recommendation does not include funding for this request.

The Society requested \$4,222 in General Funds for FY2003-04 to repair a broken water main at the Museum of Nebraska History.

The Governor's recommendation does not include funding for this request.

The Society requested \$17,000 in General Funds for FY2003-04 to revise and update the renovation program statement of the Museum of Nebraska History.

The Governor's recommendation does not include funding for this request.

The Society requested \$33,087 in General Funds in FY2004-05 to fund an additional position. The Society is making this request in anticipation of additional visitation to facilities.

Increases in visitation to facilities increases cash fund revenue.

The Governor's recommendation does not include funding for this request.

Postsecondary Education, Coordinating Commission for – The Coordinating Commission for Postsecondary Education has requested a transfer of \$50,000 in General Funds in FY2004-05 from the Nebraska Scholarship Program to the Community Scholarship

Foundation Program. This requested transfer would produce the same funding result for both programs in FY2004-05 as exists in FY2003-04.

The Governor's recommendation includes this transfer as requested.

The Commission has requested that administrative funds for the Nebraska Scholarship Program be kept at the same dollar amount in FY2004-05 as was allocated for FY2003-04. This requires an additional \$7,000 reallocation.

The Governor's recommendation includes the reallocation as requested and assigns administrative funding to the Commission's Administration program for FY2003-04 and FY2004-05 in order to adhere to accounting and budgetary definitions.

Public Finance

Administrative Services, Department of – The Department of Administrative Services requested \$180,000 in Revolving Fund appropriation, including \$50,000 in additional Personal Services Limitation authority for State Accounting Division funding for unanticipated software and hardware related to implementation of the Nebraska Information System during FY2003-04, and employee retirements during the fiscal year.

The Governor's recommendation includes funding for this request.

The Department of Administrative Services requested \$21,109 of additional Personal Service Limitation authority for both FY2003-04 and FY2004-05 to cover the cost of Building Renewal Task Force Division retirements.

The Governor's recommendation includes funding for this request in FY2003-04, with language to allow re-appropriation of certain amounts into FY2004-05 if the retirements are delayed.

The Governor's budget recommendation includes a reduction of \$6,526 in General Fund appropriation and a corresponding increase of \$6,526 in Revolving Fund appropriation for the DAS –

Materiel Division for FY2004-05 to account for the changes in appropriations included by the Legislature for the Division in LB 626A, 2003 Legislative Session.

The Governor's budget recommendation includes an additional \$196,560 in General Fund appropriation for the DAS – Building Division in FY2003-04 to allow the Building Division to finance maintenance costs for State Fair Park during FY2003-04.

The Governor's budget recommendation includes an additional \$9,492 in General Fund appropriation for the DAS – Risk Management Division in FY2003-04 to allow the Risk Management Division to finance the additional FY2003-04 property and liability insurance assessment for State Fair Park in FY2003-04.

Property Assessment and Taxation, Department of – The Department of Property Assessment and Taxation requested \$322,000 in General Funds in FY2003-04 and \$558,000 in General Funds in FY2004-05 to offset a cash fund balance shortfall. The agency's review of their existing cash fund balance and anticipated revenues for the current biennium indicates there is a need to rebase the general fund and cash fund appropriations.

The Governor recommends \$280,000 in General Funds for FY2003-04 and \$360,000 in General Funds for FY2004-05. The Governor's recommendation also includes a reduction of \$787,539 Cash Funds in FY2003-04 and \$617,936 Cash Funds in FY2004-05.

Retirement Systems, Nebraska Public Employees' – The Public Employees' Retirement System requested an additional \$434,202 for the State Patrol retirement plan. The annual actuarial valuation of the defined benefit plans indicates there is a current unfunded liability in the Patrol plan of \$434,202 in FY2004-05.

The Governor supports legislation to increase both the employer and employee contribution rates for the Patrol plan from

11% to 12%. The dollars generated will be sufficient to cover the current unfunded liability for the 2004-05 fiscal year.

The Public Employees' Retirement System has requested \$599,069 in General Funds in FY2004-05 to finance the State's match of 7/10 of one percent of annual compensation under the school employee's retirement plan.

The Governor's recommendation includes funding for this request.

Revenue, Department of – The Department of Revenue requested \$3,620,000 in General Funds in FY2003-04 and \$3,620,000 in General Funds in FY2004-05 for the homestead exemption program. The additional funding will be used to compensate counties for the anticipated loss of property tax revenue associated with the homestead exemption program.

The Governor's recommendation includes funding for this request.

Legislation is introduced at the request of the Governor to expand the definition of multiple amputee for a veteran under the homestead exemption program. This will have minimal impact beginning in FY2004-05.

Legislation is introduced at the request of the Governor to require income tax withholding on 1099-MISC payments to certain workers. This will increase General Fund revenue by \$650,000 in FY2004-05, \$2,486,000 in FY2005-06, and \$2,548,000 in FY2006-07. The Governor's recommendations also include \$79,195 General Funds for the Department of Revenue for administrative costs related to implementation of the new withholding requirements.

Public Safety

Attorney General – The Attorney General requested \$20,000 Revolving Funds in FY2003-04 and \$20,000 Revolving Funds in FY2004-05 to pay for existing contractual attorney costs.

The Governor's recommendation includes funding for this request.

The Attorney General requested \$500,000 General Funds and \$40,000 Personal Services Limitation authority in FY2003-04 and \$1,105,100 General Funds and \$80,000 Personal Services Limitation authority in FY2004-05 to pay for costs incurred to defend the State in the existing lawsuit filed by certain school districts.

The Governor's recommendation includes funding for this request.

The Governor's budget recommendation includes \$80,000 General Funds and \$145,000 Revolving Funds in FY2003-04 and \$80,000 General Funds and \$375,000 Revolving Funds in FY2004-05 for Program 551 to provide additional staffing for the Child Protection Division of the Attorney General's Office and for assistance in prosecuting crimes against children by State and local prosecutors, to implement recommendations contained in "A Roadmap to Safety for Nebraska's Children," prepared by The Children's Task Force in December 2003.

Correctional Services, Department of – The Department of Correctional Services requested \$7,339,451 General Funds in FY2004-05 to reinstate full funding to continue operation of the Lincoln Correctional Center.

The Governor's recommendation includes funding for this request.

The Department of Correctional Services requested General Fund reductions of \$850,386 in FY2003-04 and \$1,753,423 in FY2004-05 for inmate medical cost containment initiatives being pursued by the department.

The Governor's recommendation includes funding for this request.

The Governor's budget recommendation includes a General Fund reduction of \$3,105,873 in FY2003-04 and \$1,873,508 in FY2004-05 related to savings anticipated from revised estimates of LB 154 medical expenses and other inmate per diem costs during the current biennium.

The Governor's budget recommendation includes a one-time funding source change that reduces the General Fund by \$1,300,819 and increases the Cash Fund by \$1,300,819 for FY2003-04 for the Department. This funding change utilizes a one-time excess cash fund balance.

The Governor's budget recommendation includes a transfer of \$52,829 General Funds in FY2003-04 and \$52,829 General Funds in FY2004-05 from Program 200 to Program 725 to correct a program designation error to finance building rental depreciation charges assessed against the Department of Correctional Services. The building rental depreciation charges and capital depreciation charges have both been previously paid through Program 725.

The Governor's budget recommendation includes a General Fund reappropriation reduction of \$3,263,317 for the Department, for a one-time implementation delay of LB 154 medical costs during FY2002-03.

The Governor's budget recommendation includes a General Fund reappropriation reduction of \$2,318,939 for the Department, for one-time vacancy and operations savings during FY2002-03.

The Governor's budget recommendation includes a General Fund reappropriation reduction of \$563,994 for the Department, for one-time equipment deferral savings during FY2002-03.

The Governor's budget recommendation includes a General Fund reappropriation reduction of \$389,453 for the Department, for one-time non-LB 154 inmate medical and other per diem costs during FY2002-03.

Equal Opportunity Commission – The Governor's budget recommendation includes a reappropriation of \$329,660 of unobligated Federal Fund appropriations that were still available as of June 30, 2003 and a corresponding one-time General Fund reduction of \$329,660 in FY2003-04.

The approved budget for the 2003-

2005 biennium was based on the agency's revenue and expenditure estimates as submitted to the Legislature for the current biennial budget request, which assumed full expenditure of the federal funds appropriated in FY2002-03.

The Governor's budget recommendation includes a Federal Fund reduction of \$256,000 in FY2003-04 and a Federal Fund reduction of \$256,000 in FY2004-05 to make technical corrections resulting from fund source changes made in 2003 Legislative Session that involved offsetting general fund increases.

Parole Board – The Governor's budget recommendation includes a General Fund reappropriation reduction of \$183,840 for office relocation and renovation costs.

Public Advocacy, Nebraska Commission on – The Nebraska Commission on Public Advocacy requested \$18,000 Cash Funds in FY2004-05 for necessary travel expenses.

The Governor's recommendation includes funding for this request.

The Nebraska Commission on Public Advocacy requested \$8,000 Cash Funds in FY2004-05 for psychological screening services for clients.

The Governor's recommendation includes funding for this request.

The Governor's budget recommendation includes \$154,500 Cash Funds in FY2003-04 for DNA testing expenses and a corresponding General Fund reappropriation reduction of \$150,000 General Funds and \$4,500 General Fund certified encumbrance reduction.

State Fire Marshal – The Governor's budget recommendation includes a one-time funding source change that reduces the General Fund by \$964,624 and increases the Cash Fund by \$964,624 for FY2003-04. This funding change utilizes a one-time excess cash fund balance.

State Patrol, Nebraska – The Nebraska State Patrol requested four projects totaling \$535,387 Cash Funds in FY2003-04 and \$210,000 Cash Funds in FY2004-05 from the Nebraska State Patrol Cash Fund for Program 100 to: 1) implement a platform conversion of the State's criminal history file; 2) provide for necessary criminal history data storage requirements; 3) finance cost increases associated with the criminal history maintenance agreements; and, 4) finance cost increases associated with the AFIS maintenance agreements.

The Governor's recommendation includes funding for these four requests.

The Nebraska State Patrol requested five projects totaling \$1,620,522 Cash Funds in FY2003-04 and \$426,033 Cash Funds in FY2004-05 from the Public Safety Cash Fund for Program 325 to: 1) provide for a lease-purchase of a replacement helicopter; 2) finance various costs in Uniform Field Operations; 3) finance various information technology upgrades; 4) finance various criminalistics laboratory costs; and, 5) finance various shop maintenance and facility security costs.

The Governor's recommendation includes funding for these five requests.

The Governor's budget recommendation includes funding to implement legislation increasing both the employer and employee retirement contribution by 1% in FY2004-05 to cover the immediate unfunded liability in the State Patrol Retirement System. The recommendation includes \$183,911 General Funds in FY2004-05 for Program 100 and \$33,190 Cash Funds in FY2004-05 for Program 205 to cover the increased agency employer contribution rate.

The Governor's budget recommendation includes a base adjustment related to a one-time transfer of cash funds. The recommendation includes an increase of \$414,000 Cash Funds in FY2003-04 and a reduction of \$414,000 Cash Funds in FY2004-05 for Program 100.

Supreme Court – The Supreme Court requested a transfer of \$40,000 General Funds and \$40,000 Personal

Services Limitation authority from Program 6 to Program 52 in FY2003-04 to help finance the retirement payout of the previous State Court Administrator.

The Governor is recommending approval of this request.

The Supreme Court requested \$175,000 Cash Funds in FY2003-04 and \$175,000 Cash Funds in FY2004-05 (Program 67) to provide increased spending authority.

The Governor is recommending a one-time Cash Fund increase of \$350,000 in FY2003-04 and a corresponding one-time General Fund reduction of \$350,000 in FY2003-04, as the requested cash fund appropriation increases can not be sustained in the future with existing sources of revenue according to the agency's budget request submitted to the Legislature for the current biennial budget.

The Supreme Court requested \$67,346 General Funds and \$23,128 Personal Services Limitation authority in FY2003-04 and \$124,552 General Funds and \$46,255 Personal Services Limitation authority in FY2004-05 to provide information technology support for State Probation.

The Governor is recommending \$67,346 Cash Funds and \$23,128 Personal Services Limitation authority in FY2003-04 and \$124,552 Cash Funds and \$46,255 Personal Services Limitation authority in FY2004-05 to provide information technology support for State Probation.

However, this recommendation is made to Program 570 consistent with the statutory provisions of the Supreme Court Automation Cash Fund, which specifically authorizes State Probation automation costs to be paid from the fund.

The Supreme Court requested \$120,000 Cash Funds in FY2003-04 to reimburse the Department of Health and Human Services for a contractual overpayment.

The Governor is recommending approval of this request.

The Supreme Court requested \$120,000 Cash Funds in FY2004-05 to provide for computer programming changes

related to the Justice Document Number Project.

The Governor is recommending approval of this request a year earlier than requested in FY2003-04 to provide sufficient lead time to guarantee completion of the project on a timely basis.

The Governor's budget recommendation includes a reduction of \$250,000 Cash Funds for FY2003-04 related to the statewide court rewiring project. The Supreme Court did not incur any costs for this project, as the expense was paid for by the Department of Administrative Services. The recommendation is a reduction of unneeded spending authority.

The Governor's budget recommendation includes a one-time funding source change that reduces the General Fund by \$15,000 and increases the Cash Fund by \$15,000 for FY2003-04.

Transportation

Aeronautics, Department of – The Department of Aeronautics requested a total of \$1,494,673 for FY2004-05 in Cash Funds, and Personal Services Limitation authority totaling \$747,646 for FY2004-05 in Program 026 – Administration and Services, with an equal amount of reductions in Program 301 – Public Airports.

The Department of Aeronautics' request consolidates all the costs of service functions and the corresponding operating expenses resulting in more accurate accounting for the costs in each of the Department's programs.

The Governor's recommendation includes this change.

Motor Vehicles, Department of – The Department of Motor Vehicles has requested that an estimated \$546,114 of unneeded Insurance Identification Database System appropriation be reallocated to handle the Lancaster County District Court order on handicap permit fees. The Court declared that State law on

handicap permit fees violated the ADA guidelines and required a refund of all fees collected. This requested reallocation would result in no increased funding for the Department in FY2003-04 and FY2004-05.

The Governor is recommending the transfer of an additional \$1.0 million in FY2003-04 and \$2.0 million in FY2004-05 from the Department of Motor Vehicles Cash Fund to the General Fund.

Capital Construction

The Governor's recommendation includes State support for the Research Center of Excellence II Project at the University of Nebraska Medical Center. The State support is in the form of: (1) \$2,000,000 per fiscal year for three years from the Health Care Cash Fund, starting in FY2004-05; and (2) \$2,000,000 per fiscal year for three years from Homeland Security funds, starting in FY2004-05. The State support is primarily intended for the bio-terrorism laboratories that compose approximately thirty-one percent of the total laboratory space, and approximately thirty-five percent of the project costs. The project costs will total approximately \$74,000,000 and will be paid for primarily from gifts and bequests. With certain restrictions, all, or a portion of the project, could be paid for over time through a lease purchase or similar arrangement.

The Governor recommends reducing unnecessary capital construction funds remaining for five projects totaling \$55,900 State Building Fund (General Fund).

The Governor recommends reducing the FY2003-04 State Building Fund (General Fund) appropriation for the Carpenter Telecommunications Center Renovation, by \$96,964 at the Nebraska Educational Telecommunications Commission. This reduction is made possible because the identical amount of unspent and unnecessary funding was re-appropriated to the current fiscal year on June 30, 2003.

New Construction Depreciation

Assessment – Laws 2003, LB 410, reduced the annual 2% depreciation assessment charged by the Department of Administrative Services on new construction projects to 0% for FY2003-04 and to 1% for FY2004-05.

The Governor's recommendation includes reducing the FY2004-05 depreciation assessment from 1% to 0%, and setting the rate for FY2005-06 and FY2006-07 at 1%. This will result in net overall General Fund Savings to State agencies from continued suspension of this depreciation assessment totaling \$3,216,798 in General Funds in FY2004-05.

General Fund appropriations have been reduced in amounts equal to these reductions in the depreciation assessments for the following agencies: \$28,483 for the Department of Administrative Services; \$791,466 for the Department of Correctional Services; \$199,700 for the Crime Commission; \$46,532 for the Educational Telecommunications Commission; \$245,774 for State Colleges; and \$1,904,843 for the University of Nebraska.

Summary of Mid-Biennium Appropriation Adjustments

Mid-Biennium Appropriation Adjustments

| Ag # | Agency Name | Prog # | Program Name | Description | Fund | Aid/Oper /CC | FY04 Deficit Request | FY04 Recommendation | FY05 Deficit Request | FY05 Recommendation |
|---|----------------------|--------|-----------------------------------|--|-----------|--------------|----------------------|---------------------|----------------------|---------------------|
| Specific Appropriation Adjustments | | | | | | | | | | |
| 5 | Supreme Court | 6 | Salaries-District Court Judges | Judges' salary savings | General | Oper | (40,000) | (40,000) | | |
| 5 | Supreme Court | 6 | Salaries-District Court Judges | Judges' salary savings | PSL | PSL | (40,000) | (40,000) | | |
| 5 | Supreme Court | 52 | Court Operations | State Court Administrator retirement | General | Oper | 40,000 | 40,000 | | |
| 5 | Supreme Court | 52 | Court Operations | State Court Administrator retirement | PSL | PSL | 40,000 | 40,000 | | |
| 5 | Supreme Court | 67 | Probation | Interstate Compact support | General | Oper | 53,639 | 0 | 88,905 | 0 |
| 5 | Supreme Court | 67 | Probation | Interstate Compact support | PSL | PSL | 27,804 | 0 | 56,718 | 0 |
| 5 | Supreme Court | 67 | Probation | Use of one-time excess cash fund balance | Cash | Oper | 175,000 | 350,000 | 175,000 | 0 |
| 5 | Supreme Court | 67 | Probation | Use of one-time excess cash fund balance | General | Oper | | (350,000) | | |
| 5 | Supreme Court | 67 | Probation | State Probation information technology support | General | Oper | 67,346 | 0 | 124,552 | 0 |
| 5 | Supreme Court | 67 | Probation | State Probation information technology support | PSL | PSL | 23,128 | 0 | 46,255 | 0 |
| 5 | Supreme Court | 570 | Court Automation | State Probation information technology support | Cash | Oper | | 67,346 | | 124,552 |
| 5 | Supreme Court | 570 | Court Automation | State Probation information technology support | PSL | PSL | | 23,128 | | 46,255 |
| 5 | Supreme Court | 570 | Court Automation | HHS contract refund | Cash | Oper | 120,000 | 120,000 | | |
| 5 | Supreme Court | 570 | Court Automation | Justice Document Number Project | Cash | Oper | | 120,000 | 120,000 | 0 |
| 5 | Supreme Court | 570 | Court Automation | "A" Bill--fund type correction | General | Oper | | (15,000) | | |
| 5 | Supreme Court | 570 | Court Automation | "A" Bill--fund type correction | Cash | Oper | | 15,000 | | |
| 5 | Supreme Court | 570 | Court Automation | Statewide Court Rewiring project savings | Cash | Oper | | (250,000) | | |
| 11 | Attorney General | 507 | Interpretation/Application of Law | Contractual attorney costs | Revolving | Oper | 20,000 | 20,000 | 20,000 | 20,000 |
| 11 | Attorney General | 508 | TEEOA Litigation | School finance lawsuit | General | Oper | 500,000 | 500,000 | 1,105,100 | 1,105,100 |
| 11 | Attorney General | 508 | TEEOA Litigation | School finance lawsuit | PSL | PSL | 40,000 | 40,000 | 80,000 | 80,000 |
| 11 | Attorney General | 551 | Child Protection Division | Children's Task Force - Prosecution costs | General | Oper | | 80,000 | | 80,000 |
| 11 | Attorney General | 551 | Child Protection Division | Children's Task Force - Assistant Attorneys General | Revolving | Oper | | 145,000 | | 375,000 |
| 13 | Education | 25 | Departmental Administration | TEEOA aid funding estimate revision | General | Aid | (578,113) | (578,113) | 5,554,321 | 5,554,321 |
| 13 | Education | 25 | Departmental Administration | Enrollment Option Transportation | General | Aid | 264,332 | 0 | | |
| 13 | Education | 25 | Departmental Administration | Reduce assessment/reporting reappropriation | General | Oper | | (1,000,000) | | |
| 13 | Education | 351 | Vocational Rehabilitation | Vocational Rehabilitation | General | Oper | 252,000 | 0 | 225,000 | 0 |
| 14 | Public Service Comm. | 583 | Enhanced Wireless 911 Fund | Wireless Enhanced 911 implementation | Cash | Oper | 14,995 | 14,995 | 51,441 | 51,441 |
| 14 | Public Service Comm. | 583 | Enhanced Wireless 911 Fund | Wireless Enhanced 911 implementation | PSL | PSL | 9,267 | 9,267 | 38,454 | 38,454 |
| 14 | Public Service Comm. | 686 | Universal Service Fund | Universal Service Fund, Lifeline and Link-Up programs | Cash | Oper | 71,966 | 71,966 | 55,040 | 55,040 |
| 14 | Public Service Comm. | 686 | Universal Service Fund | Universal Service Fund, Lifeline and Link-Up programs | PSL | PSL | 31,049 | 31,049 | 36,120 | 36,120 |
| 15 | Parole Board | 418 | Video Conferencing | Reappropriation Savings | General | Oper | | (183,840) | | |
| 16 | Revenue | 102 | Revenue Administration | Withholding requirement on independent contractor payments | General | Oper | | | | 79,195 |
| 16 | Revenue | 108 | Homestead Exemption | Homestead Exemption reimbursement to counties | General | Aid | 3,620,000 | 3,620,000 | 3,620,000 | 3,620,000 |

Mid-Biennium Appropriation Adjustments

| Ag # | Agency Name | Prog # | Program Name | Description | Fund | Aid/ Oper /CC | FY04 Deficit Request | FY04 Recommendation | FY05 Deficit Request | FY05 Recommendation |
|------|----------------------|--------|---------------------------------|--|---------|---------------|----------------------|---------------------|----------------------|---------------------|
| 17 | Aeronautics | 26 | Development and Enforcement | Consolidate operations - improved accounting | Cash | Oper | | | 1,494,673 | 1,494,673 |
| 17 | Aeronautics | 26 | Development and Enforcement | Consolidate operations - improved accounting | PSL | PSL | | | 747,646 | 747,646 |
| 17 | Aeronautics | 301 | Public Airports | Consolidate operations - improved accounting | PSL | PSL | | | (747,646) | (747,646) |
| 17 | Aeronautics | 301 | Public Airports | Consolidate operations - improved accounting | Cash | Oper | | | (1,494,673) | (1,494,673) |
| 18 | Agriculture | 333 | Bureau of Plant Industry | Eliminate unused grasshopper program reappropriation | General | Oper | | (127,000) | | |
| 20 | HHS-Reg. & Licensure | 177 | Administration | Emergency Medical Services | Cash | Oper | 250,000 | 250,000 | 250,000 | 250,000 |
| 21 | State Fire Marshal | 193 | Protection of People/Property | Utilize One-time Excess Cash Funds | General | Oper | | (964,624) | | |
| 21 | State Fire Marshal | 193 | Protection of People/Property | Utilize One-time Excess Cash Funds | Cash | Oper | | 964,624 | | |
| 23 | Labor | 31 | Division of Employment | Unemployment Insurance (UI) printer | Federal | Oper | | | 360,000 | 360,000 |
| 23 | Labor | 31 | Division of Employment | Unemployment Insurance building safety/efficiency | Federal | Oper | | | 950,000 | 950,000 |
| 23 | Labor | 31 | Division of Employment | Unemployment Insurance Imaging System | Federal | Oper | | | 60,000 | 60,000 |
| 23 | Labor | 31 | Division of Employment | Enhance Job Link System | Federal | Oper | | | 100,000 | 100,000 |
| 23 | Labor | 31 | Division of Employment | Enhance Job Link System | PSL | PSL | | | 46,154 | 46,154 |
| 23 | Labor | 31 | Division of Employment | New Unemployment Insurance Building & Grounds | Federal | CC | | | 2,390,000 | 0 |
| 23 | Labor | 31 | Division of Employment | Expand UI Re-employment Service Program | Federal | Oper | | | 152,336 | 152,336 |
| 23 | Labor | 31 | Division of Employment | Expand UI Re-employment Service Program | PSL | PSL | | | 117,181 | 117,181 |
| 23 | Labor | 31 | Division of Employment | Unemployment Insurance infrastructure costs | Federal | CC | | | 533,578 | 533,578 |
| 24 | Motor Vehicles | 70 | Enf of Stds-Motor Vehicles | Reallocate appropriation for ADA lawsuit | Cash | Oper | yes | yes | yes | yes |
| 25 | HHS-Services | 33 | Administration | Transfer position from Services to Finance & Support | General | Oper | (19,456) | (19,456) | (19,456) | (19,456) |
| 25 | HHS-Services | 33 | Administration | Transfer position from Services to Finance & Support | Federal | Oper | (19,457) | (19,457) | (19,457) | (19,457) |
| 25 | HHS-Services | 33 | Administration | Transfer position from Services to Finance & Support | PSL | PSL | (30,640) | (30,640) | (30,640) | (30,640) |
| 25 | HHS-Services | 33 | Administration | Lower the age of majority (LB 391) | General | Oper | | | | (60,628) |
| 25 | HHS-Services | 33 | Administration | Lower the age of majority (LB 391) | Federal | Oper | | | | (12,125) |
| 25 | HHS-Services | 39 | Protection & Safety of Children | Children's Task Force recommendations | General | Oper | | 2,420,000 | | 6,420,000 |
| 25 | HHS-Services | 39 | Protection & Safety of Children | Children's Task Force recommendations | Federal | Oper | | 400,000 | | 1,100,000 |
| 25 | HHS-Services | 365 | Mental Health/Regional Centers | Federal medical assistance match change - Regional Centers | General | Oper | | | 8,492 | 0 |
| 25 | HHS-Services | 365 | Mental Health/Regional Centers | Federal medical assistance match change - Regional Centers | Federal | Oper | | | (8,492) | 0 |
| 25 | HHS-Services | 365 | Mental Health/Regional Centers | Enhanced federal medical assistance percentage savings | General | Oper | | (126,081) | | |
| 25 | HHS-Services | 365 | Mental Health/Regional Centers | Enhanced federal medical assistance percentage savings | Federal | Oper | | 126,081 | | |
| 25 | HHS-Services | 421 | Beatrice Developmental Center | Federal medical assistance match change - BSDC | General | Oper | | | 64,633 | 0 |
| 25 | HHS-Services | 421 | Beatrice Developmental Center | Federal medical assistance match change - BSDC | Federal | Oper | | | (64,633) | 0 |
| 25 | HHS-Services | 421 | Beatrice Developmental Center | Enhanced federal medical assistance percentage savings | General | Oper | | (1,081,829) | | |
| 25 | HHS-Services | 421 | Beatrice Developmental Center | Enhanced federal medical assistance percentage savings | Federal | Oper | | 1,081,829 | | |
| 25 | HHS-Services | 905 | Norfolk Veterans Home | Reduce unused reappropriated construction funds | SBF | CC | | (7,000) | | |
| 25 | HHS-Services | 918 | Site Improvement-YRTC Geneva | Reduce unused reappropriated construction funds | SBF | CC | | (13,000) | | |
| 25 | HHS-Services | 920 | Prog. Statement-New Vets Home | Reduce unused reappropriated construction funds | SBF | CC | | (5,900) | | |

Mid-Biennium Appropriation Adjustments

| Ag # | Agency Name | Prog # | Program Name | Description | Fund | Aid/Oper /CC | FY04 Deficit Request | FY04 Recommendation | FY05 Deficit Request | FY05 Recommendation |
|------|-----------------------|--------|-------------------------------|---|---------|--------------|----------------------|---------------------|----------------------|---------------------|
| 25 | HHS-Services | 931 | YRTC's Facility Improvement | Reduce unused reappropriated construction funds | SBF | CC | | (5,000) | | |
| 25 | HHS-Services | 940 | Multipurpose Bldg-YRTC Geneva | Reduce unused reappropriated construction funds | SBF | CC | | (25,000) | | |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Federal medical assistance match change - Behavioral Health | General | Aid | | | 22,620 | 0 |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Federal medical assistance match change - Behavioral Health | Federal | Aid | | | (22,620) | 0 |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Enhanced federal medical assistance percentage savings | General | Aid | | (369,720) | | |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Enhanced federal medical assistance percentage savings | Federal | Aid | | 369,720 | | |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Intent - change mental health and substance abuse earmarks | | | yes | yes | yes | yes |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Mental Health Reform, emergency protective custody | General | Aid | | | | 2,500,000 |
| 26 | HHS-Finance & Support | 38 | Behavioral Health Aid | Mental Health Reform transition (Health Care Cash) | Cash | Aid | | 6,000,000 | | |
| 26 | HHS-Finance & Support | 341 | Administration | Transfer position from Services to Finance & Support | General | Oper | 19,456 | 19,456 | 19,456 | 19,456 |
| 26 | HHS-Finance & Support | 341 | Administration | Transfer position from Services to Finance & Support | Federal | Oper | 19,457 | 19,457 | 19,457 | 19,457 |
| 26 | HHS-Finance & Support | 341 | Administration | Transfer position from Services to Finance & Support | PSL | PSL | 30,640 | 30,640 | 30,640 | 30,640 |
| 26 | HHS-Finance & Support | 341 | Administration | HIPAA spending authority | Cash | Oper | 9,143,538 | 9,143,538 | | |
| 26 | HHS-Finance & Support | 344 | Children's Health Insurance | Transfer from Medicaid to Children's Health Insurance Program | General | Aid | 9,550,000 | 9,550,000 | 10,505,000 | 10,505,000 |
| 26 | HHS-Finance & Support | 344 | Children's Health Insurance | Transfer from Medicaid to Children's Health Insurance Program | Federal | Aid | 19,860,000 | 19,860,000 | 21,846,000 | 21,846,000 |
| 26 | HHS-Finance & Support | 344 | Children's Health Insurance | Reduce excess cash appropriation | Cash | Aid | (2,137,491) | (2,137,491) | | |
| 26 | HHS-Finance & Support | 347 | Public Assistance | Lower the age of majority (LB 391) | General | Aid | | | | (918,035) |
| 26 | HHS-Finance & Support | 347 | Public Assistance | Lower the age of majority (LB 391) | Federal | Aid | | | | (68,931) |
| 26 | HHS-Finance & Support | 347 | Public Assistance | Enhanced Treatment Group Home savings | General | Aid | | (4,200,000) | | (4,200,000) |
| 26 | HHS-Finance & Support | 347 | Public Assistance | Enhanced Treatment Group Home Services funding transfer | General | Aid | (3,000,000) | (3,000,000) | (3,000,000) | (3,000,000) |
| 26 | HHS-Finance & Support | 348 | Medicaid | Enhanced Treatment Group Home Services funding transfer | General | Aid | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Enhanced Treatment Group Home - federal matching | Federal | Aid | | 4,200,000 | | 4,200,000 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Lower the age of majority (LB 391) | General | Aid | | | | 29,452 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Lower the age of majority (LB 391) | Federal | Aid | | | | 44,178 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Federal medical assistance match change - Medicaid | General | Aid | | | 2,260,144 | 0 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Federal medical assistance match change - Medicaid | Federal | Aid | | | (2,260,144) | 0 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Enhanced federal medical assistance percentage savings | General | Aid | | (37,690,903) | | |
| 26 | HHS-Finance & Support | 348 | Medicaid | Enhanced federal medical assistance percentage savings | Federal | Aid | | 37,690,903 | | |
| 26 | HHS-Finance & Support | 348 | Medicaid | Transfer from Medicaid to Children's Health Insurance Program | General | Aid | (9,550,000) | (9,550,000) | (10,505,000) | (10,505,000) |
| 26 | HHS-Finance & Support | 348 | Medicaid | Transfer from Medicaid to Children's Health Insurance Program | Federal | Aid | (19,860,000) | (19,860,000) | (21,846,000) | (21,846,000) |
| 26 | HHS-Finance & Support | 348 | Medicaid | Transitional medical beneficiary litigation | General | Aid | 6,900,000 | 6,900,000 | 1,100,000 | 1,100,000 |
| 26 | HHS-Finance & Support | 348 | Medicaid | Transitional medical beneficiary litigation | Federal | Aid | 10,300,000 | 10,300,000 | 1,700,000 | 1,700,000 |
| 26 | HHS-Finance & Support | 424 | Developmental Disability Aid | Federal medical assistance match change - DD aid | General | Aid | | | 222,567 | 0 |
| 26 | HHS-Finance & Support | 424 | Developmental Disability Aid | Federal medical assistance match change - DD aid | Federal | Aid | | | (222,567) | 0 |
| 26 | HHS-Finance & Support | 424 | Developmental Disability Aid | Enhanced federal medical assistance percentage savings | General | Aid | | (3,885,106) | | |
| 26 | HHS-Finance & Support | 424 | Developmental Disability Aid | Enhanced federal medical assistance percentage savings | Federal | Aid | | 3,885,106 | | |
| 26 | HHS-Finance & Support | 514 | Health Aid | Tuberculosis aid | General | Aid | 66,724 | 66,724 | 66,724 | 66,724 |
| 26 | HHS-Finance & Support | 514 | Health Aid | Increase newborn screening | Cash | Aid | 250,000 | 250,000 | 250,000 | 250,000 |
| 26 | HHS-Finance & Support | 514 | Health Aid | Fund source change - Emergency Medical Services | General | Aid | | | | (80,000) |
| 26 | HHS-Finance & Support | 514 | Health Aid | Fund source change - Emergency Medical Services | Cash | Aid | | | | 80,000 |

Mid-Biennium Appropriation Adjustments

| Ag # | Agency Name | Prog # | Program Name | Description | Fund | Aid/ Oper /CC | FY04 Deficit Request | FY04 Recommendation | FY05 Deficit Request | FY05 Recommendation |
|---------|------------------------|-----------|--------------------------------|--|-----------|---------------------|-------------------------|------------------------|-------------------------|------------------------|
| 29 | Natural Resources | 310 | Water Policy Resource Fund | Water Policy Task Force recommendations | General | Oper | | | | 2,500,000 |
| 35 | Liquor Control Comm. | 73 | Enforcement and Regulation | Agency director retirement costs | PSL | PSL | 25,358 | 25,358 | | |
| 35 | Liquor Control Comm. | 73 | Enforcement and Regulation | Agency director retirement costs | General | Oper | 28,345 | 28,345 | | |
| 46 | Correctional Services | 200 | Adult Services | Reinstate funding for Lincoln Correctional Center | General | Oper | | | 7,339,451 | 7,339,451 |
| 46 | Correctional Services | 200 | Adult Services | Inmate medical cost containment initiatives | General | Oper | (850,386) | (850,386) | (1,753,423) | (1,753,423) |
| 46 | Correctional Services | 200 | Adult Services | One-time LB 154 medical implementation delay savings | General | Oper | | (3,263,317) | | |
| 46 | Correctional Services | 200 | Adult Services | One-time Non-LB 154 Medical and other inmate per diem savings | General | Oper | | (389,453) | | |
| 46 | Correctional Services | 200 | Adult Services | One-time equipment deferral savings | General | Oper | | (563,994) | | |
| 46 | Correctional Services | 200 | Adult Services | One-time vacancy and operations savings | General | Oper | | (2,318,939) | | |
| 46 | Correctional Services | 200 | Adult Services | Revised savings--LB 154 medical and other inmate per diem costs | General | Oper | | (3,105,873) | | (1,873,508) |
| 46 | Correctional Services | 200 | Adult Services | Utilize one-time excess cash funds | General | Oper | | (1,300,819) | | |
| 46 | Correctional Services | 200 | Adult Services | Utilize one-time excess cash funds | Cash | Oper | | 1,300,819 | | |
| 46 | Correctional Services | 200 | Adult Services | Program Correction--LB 530 depreciation transfer | General | Oper | | (52,829) | | (52,829) |
| 46 | Correctional Services | 725 | Depreciation Surcharge | Program Correction--LB 530 depreciation transfer | General | Oper | | 52,829 | | 52,829 |
| 46 | Correctional Services | 725 | Depreciation Surcharge | Program correction--LB 1100 depreciation | General | Oper | | | | (5,097) |
| 46 | Correctional Services | 725 | Depreciation Surcharge | Program correction--LB 1100 depreciation | Revolving | Oper | | (52,955) | | (52,955) |
| 47 | NETC | 566 | Public Radio | 1st of 3 yr. increase in Associated Press fees | General | Oper | 9,870 | 0 | | |
| 47 | NETC | 566 | Public Radio | 1st of 3 yr. increase in Associated Press fees | Cash | Oper | | 9,870 | | |
| 47 | NETC | 913 | Carpenter Bldg. Renovation | Reduce new appropriation due to excess reappropriation | SBF | CC | | (96,964) | | |
| 48 | Postsecondary Coord. | 640 | Administration | Transfer administrative funds in aid program to admin. program | General | Oper | | 78,416 | | 77,632 |
| 48 | Postsecondary Coord. | 690 | Nebraska Scholarship Prog. | Transfer administrative funds in aid program to admin. program | General | Oper | | (78,416) | | (77,632) |
| 48 | Postsecondary Coord. | 690 | Nebraska Scholarship Prog. | Continue community scholarship administration earmark-transfer | General | Aid | | | (7,000) | (7,000) |
| 48 | Postsecondary Coord. | 690 | Nebraska Scholarship Prog. | Continue community scholarship administration earmark-transfer | General | Oper | | | 7,000 | 7,000 |
| 48 | Postsecondary Coord. | 690 | Nebraska Scholarship Prog. | Continue reallocation to Community Scholarship Program-transfer | General | Aid | | | (50,000) | (50,000) |
| 48 | Postsecondary Coord. | 691 | Community Scholarship Prog. | Continue reallocation to Community Scholarship Program-transfer | General | Aid | | | 50,000 | 50,000 |
| 51 | University of Nebraska | 970 | Research Cntr of Excellence II | Research Center of Excellence II Project - Bioterrorism Laboratories | Cash | CC | | | | 2,000,000 |
| 51 | University of Nebraska | 970 | Research Cntr of Excellence II | Research Center of Excellence II Project - Bioterrorism Laboratories | Federal | CC | | | | 2,000,000 |
| 52 | Board of Agriculture | 539 | State Fair | Nebraska State Fair premiums | General | Aid | | | | 306,208 |
| 54 | Historical Society | 648 | Historical Society | Boiler replacement | General | Oper | 20,600 | 0 | | |
| 54 | Historical Society | 648 | Historical Society | Water main repair | General | Oper | 4,222 | 0 | | |
| 54 | Historical Society | 648 | Historical Society | Review and update renovation Program Statement | General | Oper | 17,000 | 0 | | |
| 54 | Historical Society | 648 | Historical Society | Personnel at historical sites | PSL | PSL | | | 22,129 | 0 |
| 54 | Historical Society | 648 | Historical Society | Personnel at historical sites | General | Oper | | | 33,087 | 0 |
| 64 | State Patrol | 100 | Public Protection | Criminal History File Platform conversion | Cash | Oper | 515,387 | 515,387 | | |
| 64 | State Patrol | 100 | Public Protection | Criminal history data storage requirements | Cash | Oper | 20,000 | 20,000 | | |

Mid-Biennium Appropriation Adjustments

| Ag # | Agency Name | Prog # | Program Name | Description | Fund | Aid/ Oper /CC | FY04 Deficit Request | FY04 Recommendation | FY05 Deficit Request | FY05 Recommendation |
|------|------------------------|--------|------------------------------|---|-----------|------------------|-------------------------|------------------------|-------------------------|------------------------|
| 64 | State Patrol | 100 | Public Protection | AFIS maintenance agreements | Cash | Oper | | | 100,000 | 100,000 |
| 64 | State Patrol | 100 | Public Protection | Criminal history maintenance agreements | Cash | Oper | | | 110,000 | 110,000 |
| 64 | State Patrol | 100 | Public protection | Adjust base for one-time Cash Fund transfer | Cash | Oper | | 414,000 | | (414,000) |
| 64 | State Patrol | 100 | Public Protection | Increase retirement contribution rate (1%) for current unfunded liability | General | Oper | | | | 183,911 |
| 64 | State Patrol | 205 | Carrier Enforcement | Increase retirement contribution rate (1%) for current unfunded liability | Cash | Oper | | | | 33,190 |
| 64 | State Patrol | 325 | Operational Improvements | Criminalistics Lab costs | Cash | Oper | 227,500 | 227,500 | | |
| 64 | State Patrol | 325 | Operational Improvements | Information Technology upgrades | Cash | Oper | 373,000 | 373,000 | | |
| 64 | State Patrol | 325 | Operational Improvements | Uniform field operations | Cash | Oper | 501,175 | 501,175 | | |
| 64 | State Patrol | 325 | Operational Improvements | Shop maintenance and facility security | Cash | Oper | 68,847 | 68,847 | | |
| 64 | State Patrol | 325 | Operational Improvements | Replacement helicopter, 5-yr lease-purchase | Cash | Oper | 450,000 | 450,000 | 426,033 | 426,033 |
| 65 | Admin Services | 536 | Miscellaneous Claims | Claims Bill | General | Oper | | 271,801 | | |
| 65 | Admin Services | 560 | Building Division | Maintenance costs for State Fair Park | General | Oper | | 196,560 | | |
| 65 | Admin Services | 567 | Accounting Division | Nebraska Information System equipment & employee retirements | Revolving | Oper | 180,000 | 180,000 | | |
| 65 | Admin Services | 567 | Accounting Division | Employee retirements | PSL | PSL | 50,000 | 50,000 | | |
| 65 | Admin Services | 573 | 309 Task Force | Employee retirements | Cash | Oper | 21,109 | 21,109 | 21,109 | 0 |
| 65 | Admin Services | 573 | 309 Task Force | Employee retirements | PSL | PSL | 21,109 | 21,109 | 21,109 | 0 |
| 65 | Admin Services | 591 | Tort Claims | Claims Bill | General | Oper | | 112,764 | | |
| 65 | Admin Services | 591 | Tort Claims | Claims Bill | Cash | Oper | | 1,725,873 | | |
| 65 | Admin Services | 592 | Indemnification Claims | Claims Bill | General | Oper | | 51,211 | | |
| 65 | Admin Services | 594 | State Insurance | Property/Liability Insurance allocation for State Fair Board | General | Oper | | 9,492 | | |
| 65 | Admin Services | 171 | Material Division | Correct funding source for LB 626A (2003) | General | Oper | | | | (6,526) |
| 65 | Admin Services | 171 | Material Division | Correct funding source for LB 626A (2003) | Revolving | Oper | | | | 6,526 |
| 67 | Equal Opportunity Comm | 59 | Enf of Stds-Equal Employment | Technical correction--offset to fund source change omitted | Federal | Oper | | (256,000) | | (256,000) |
| 67 | Equal Opportunity Comm | 59 | Enf of Stds-Equal Employment | Reappropriate lapsed federal authority, General Fund offset | General | Oper | | (329,660) | | |
| 67 | Equal Opportunity Comm | 59 | Enf of Stds-Equal Employment | Reappropriate lapsed federal authority, General Fund offset | Federal | Oper | | 329,660 | | |
| 70 | Foster Care Review | 116 | Foster Care Review | Correct PSL base level | PSL | PSL | 33,629 | 33,629 | 33,629 | 33,629 |
| 72 | Economic Development | 601 | Community Affairs | Additional authority for mental health housing | Cash | Aid | | | | 2,000,000 |
| 84 | Environmental Quality | 513 | Administration | Fully fund Livestock Program | General | Oper | | | 145,000 | 145,000 |
| 84 | Environmental Quality | 513 | Administration | Livestock Program PSL | PSL | PSL | | | 75,927 | 75,927 |
| 84 | Environmental Quality | 513 | Administration | Increased ground water requests | Federal | Oper | | | 145,000 | 145,000 |
| 84 | Environmental Quality | 513 | Administration | Increased ground water requests | PSL | PSL | | | 75,927 | 75,927 |
| 85 | Retirement System | 515 | Public Employees Retirement | Patrol retirement plan unfunded actuarial liability (see State Patrol) | General | Aid | | | 434,202 | 0 |
| 85 | Retirement System | 515 | Public Employees Retirement | School retirement plan 0.7% annual contribution adjustment | General | Aid | | | 599,069 | 599,069 |
| 86 | Dry Bean Commission | 137 | Dry Bean Commission | PSL for part-time administrative staff | PSL | PSL | 6,115 | 6,115 | 24,950 | 24,950 |

Mid-Biennium Appropriation Adjustments

| Ag # | Agency Name | Prog # | Program Name | Description | Fund | Aid/ Oper /CC | FY04 Deficit Request | FY04 Recommendation | FY05 Deficit Request | FY05 Recommendation |
|---|---------------------|-----------|----------------------------|---|-----------|---------------------|-------------------------|------------------------|-------------------------|------------------------|
| 94 | Public Advocacy | 425 | Public Advocacy | Psychological services | Cash | Oper | | | 8,000 | 8,000 |
| 94 | Public Advocacy | 425 | Public Advocacy | Additional travel expenses | Cash | Oper | | | 18,000 | 18,000 |
| 94 | Public Advocacy | 455 | DNA Testing | DNA Testing Fund Source Change (Reappropriation) | General | Oper | | (150,000) | | |
| 94 | Public Advocacy | 455 | DNA Testing | DNA Testing Fund Source Change (Certified Encumbrances) | General | Oper | | (4,500) | | |
| 94 | Public Advocacy | 455 | DNA Testing | DNA Testing Fund Source Change | Cash | Oper | | 154,500 | | |
| 96 | Property Assessment | 112 | Property Tax Administrator | Cash fund shortfall | General | Oper | 322,000 | 280,000 | 558,000 | 360,000 |
| 96 | Property Assessment | 112 | Property Tax Administrator | Cash fund shortfall | Cash | Oper | | (787,539) | | (617,936) |
| Subtotal - Specific Appropriation Adjustments | | | | | General | | 10,697,579 | (48,312,260) | 21,818,444 | 23,091,214 |
| | | | | | SBF | | 0 | (152,864) | 0 | 0 |
| | | | | | | | <u>10,697,579</u> | <u>(48,465,124)</u> | <u>21,818,444</u> | <u>23,091,214</u> |
| | | | | | Cash | | 10,065,026 | 19,974,519 | 1,584,623 | 4,474,320 |
| | | | | | Federal | | 10,300,000 | 58,127,299 | 3,812,458 | 11,008,036 |
| | | | | | Revolving | | 200,000 | 292,045 | 20,000 | 348,571 |
| | | | | | | | <u>31,262,605</u> | <u>29,928,739</u> | <u>27,235,525</u> | <u>38,922,141</u> |
| | | | | | PSL | | 267,459 | 239,655 | 674,553 | 574,597 |
| Prioritized Percentage Base Budget Reductions | | | | | General | | 0 | 0 | 0 | (10,779,612) |
| Health Insurance Reductions | | | | | General | | 0 | (4,120,540) | 0 | (4,119,433) |
| | | | | | Cash | | 0 | (1,668,115) | 0 | (1,667,505) |
| | | | | | Federal | | 0 | (1,364,844) | 0 | (1,364,844) |
| | | | | | Revolving | | 0 | (292,366) | 0 | (293,473) |
| | | | | | | | <u>0</u> | <u>(7,445,865)</u> | <u>0</u> | <u>(7,445,255)</u> |
| LB1100 Depreciation Assessment Deferral | | | | | General | | 0 | 0 | 0 | (3,216,798) |
| Grand Total - Mid-Biennium Appropriation Adjustments | | | | | General | | 10,697,579 | (52,432,800) | 21,818,444 | 4,975,371 |
| | | | | | SBF | | 0 | (152,864) | 0 | 0 |
| | | | | | | | <u>10,697,579</u> | <u>(52,585,664)</u> | <u>21,818,444</u> | <u>4,975,371</u> |
| | | | | | Cash | | 10,065,026 | 18,306,404 | 1,584,623 | 2,806,815 |
| | | | | | Federal | | 10,300,000 | 56,762,455 | 3,812,458 | 9,643,192 |
| | | | | | Revolving | | 200,000 | (321) | 20,000 | 55,098 |
| | | | | | | | <u>31,262,605</u> | <u>22,482,874</u> | <u>27,235,525</u> | <u>17,480,476</u> |
| | | | | | PSL | | 267,459 | 239,655 | 674,553 | 574,597 |

**Prioritized
Percentage Base
Budget Reductions**

Prioritized Percentage Base Budget Reductions

Exclusion Level - 0% Reduction

| | <u>FY05 Appropriation</u> |
|---|---------------------------|
| K-12 Education | |
| TEEOSA | 607,697,160 |
| Special Education | 161,146,721 |
| State Ward Education | 15,972,000 |
| Other Education Aid | 3,140,904 |
| | <hr/> 787,956,785 |
| Health and Human Services | |
| Medicaid/CHIP | 478,765,837 |
| Public Assistance | 184,349,799 |
| Developmental Disabilities Aid | 58,032,370 |
| Behavioral Health Aid | 30,919,130 |
| Aging Services Aid | 5,696,975 |
| Vocational Rehabilitation | 3,650,267 |
| HHSS-Health Aid | 2,911,792 |
| Education - Deaf/Hard of Hearing Services | 1,855,197 |
| Deaf/Hard of Hearing Commission | 696,008 |
| Blind/Visually Impaired Commission | 531,068 |
| Other Human Services | 903,892 |
| | <hr/> 768,312,335 |
| 24 Hour Care/Treatment Facilities | |
| Regional Centers/Mental Health | 55,942,579 |
| YRTC/Juvenile Services | 19,751,855 |
| Beatrice State Development Center | 19,363,457 |
| Veterans Homes | 17,519,915 |
| School for the Visually Impaired | 1,495,125 |
| | <hr/> 114,072,931 |
| --Continued on next page | |

Prioritized Percentage Base Budget Reductions

Exclusion Level - 0% Reduction

| | <u>FY05 Appropriation</u> |
|--|---------------------------|
| Public Safety | |
| Correctional Services | 129,491,228 |
| State Patrol | 41,259,860 |
| HHSS - Protection & Safety | 7,750,000 |
| Attorney General | 5,114,769 |
| National Guard & Emergency Management | 4,111,523 |
| State Fire Marshal - Public Safety | 3,380,478 |
| Agriculture - Ag Terrorism Preparedness/Response | 2,321,440 |
| HHSS - Bioterrorism Preparedness/Response | 1,700,000 |
| Foster Care Review Board | 1,097,082 |
| Law Enforcement Training Center | 982,663 |
| Juvenile Predisposition Detention | 386,400 |
| Criminal Justice Information System | 281,764 |
| Community Corrections Council | 278,046 |
| | <hr/> 198,155,253 |
| Local Government Aid | |
| Homestead Exemption | 45,200,000 |
| Other | |
| Constitutional Officers' Salaries | 19,260,195 |
| Capital Construction | 19,046,316 |
| Public Employees Retirement | 15,927,474 |
| Economic Development | 3,310,075 |
| Agriculture | 3,191,482 |
| Water Rights Litigation | 1,020,070 |
| Miscellaneous | 10,066,205 |
| | <hr/> 71,821,817 |
| Total | 1,985,519,121 |

Prioritized Percentage Base Budget Reductions

1% Reduction Level

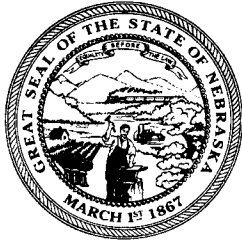
| | <u>FY05 Appropriation</u> | <u>FY05 Reduction</u> |
|---|---------------------------|-----------------------|
| Higher Education | | |
| University of Nebraska | 402,233,114 | (4,022,332) |
| Community College Aid | 63,203,664 | (632,037) |
| State Colleges | 35,583,490 | (355,835) |
| Educational Telecommunications | 8,790,909 | (87,909) |
| Coordinating Commission for Postsecondary Education | 6,919,876 | (69,199) |
| | <hr/> 516,731,053 | <hr/> (5,167,312) |
| Local Government Aid | | |
| Aid to Municipalities | 11,313,762 | (113,138) |
| Aid to Counties | 4,990,820 | (49,908) |
| Natural Resources Development Fund | 3,606,400 | (36,064) |
| Jail Reimbursement Assistance | 3,519,000 | (35,190) |
| Aid to NRD's | 1,553,268 | (15,533) |
| County Juvenile Services Aid | 1,500,000 | (15,000) |
| Other Local Government Aid | 1,799,105 | (17,991) |
| | <hr/> 28,282,355 | <hr/> (282,824) |
| K-12 Education | | |
| Aid to ESU's | 10,618,003 | (106,180) |
| Gifted Education Aid | 2,348,664 | (23,487) |
| Other Education Aid | 231,733 | (2,317) |
| | <hr/> 13,198,400 | <hr/> (131,984) |
| Total | 558,211,808 | (5,582,120) |

Prioritized Percentage Base Budget Reductions

2.5% Reduction Level

| | <u>FY05 Appropriation</u> | <u>FY05 Reduction</u> |
|--|---------------------------|-----------------------|
| HHS-Services | 40,461,799 | (1,011,545) |
| Supreme Court | 38,758,220 | (968,956) |
| HHS-Finance & Support | 33,618,221 | (840,456) |
| Revenue | 20,948,719 | (523,718) |
| Legislative Council | 13,707,452 | (342,686) |
| Game and Parks | 9,124,205 | (228,105) |
| Education | 9,077,371 | (226,934) |
| Natural Resources | 8,660,069 | (216,501) |
| HHS-Regulation & Licensure | 4,025,085 | (100,627) |
| Historical Society | 3,910,946 | (97,774) |
| Environmental Quality | 3,788,872 | (94,722) |
| Administrative Services | 3,342,576 | (83,565) |
| Library Commission | 2,222,995 | (55,575) |
| Auditor of Public Accounts | 1,896,238 | (47,406) |
| Public Service Commission | 1,893,624 | (47,341) |
| Treasurer | 1,499,562 | (37,489) |
| Crime Commission | 1,438,698 | (35,968) |
| Governor | 1,313,716 | (32,843) |
| Equal Opportunity Commission | 1,231,034 | (30,776) |
| Arts Council | 1,134,605 | (28,366) |
| Liquor Control Commission | 782,222 | (19,556) |
| Veterans Affairs | 732,585 | (18,315) |
| Economic Development | 708,280 | (17,707) |
| Tax Equalization & Review | 683,389 | (17,085) |
| Secretary of State | 640,859 | (16,021) |
| Labor | 535,195 | (13,380) |
| Educational Lands & Funds | 407,776 | (10,194) |
| Accountability & Disclosure | 404,769 | (10,119) |
| Parole Board | 298,033 | (7,451) |
| Industrial Relations | 227,297 | (5,682) |
| Mexican-American Commission | 194,896 | (4,872) |
| Indian Affairs | 177,734 | (4,443) |
| Lt. Governor | 35,985 | (900) |
| Roads | 16,560 | (414) |
| Total | 207,899,587 | (5,197,492) |
| Prioritized Percentage Reductions - Grand Total | 2,751,630,516 | (10,779,612) |

Appendices



Budget Division Staff and Their Agency Assignments

Gerry A. OligmueLLer, State Budget Administrator

Lyn Heaton, Deputy State Budget Administrator

Analysts and Their Agency Assignments

Lyn Heaton – Investment Council, Property Assessment & Taxation, Public Employees' Retirement Board, Racing Commission, Department of Revenue, State Treasurer, Tax Equalization and Review

Steve Hotovy – Department of Administrative Services – Building Division staff consulted for capital construction related issues

Elton Larson – Blind & Visually Impaired Commission, Foster Care Review Board, Health & Human Services, Health & Human Services - Finance & Support, Health & Human Services - Regulation & Licensure, Veterans' Affairs

Bill Lock – Property Assessment & Taxation staff consulted for State and local finance issues

Mark Paneitz – Arts Council, Department of Education, Deaf and Hard of Hearing Commission, Educational Lands and Funds, Ethanol Board, Historical Society, Indian Affairs Commission, Library Commission, Mexican American Commission, Oil and Gas Commission, Power Review Board, Women's Commission

Rich Robinson – Attorney General, Parole Board, Commission on Public Advocacy, Department of Correctional Services, Crime Commission, Electrical Board, Equal Opportunity Commission, State Fire Marshal, Industrial Relations, Military Department, State Patrol, Supreme Court, Workers' Compensation Court

Dave Spatz – Accountability & Disclosure Commission, Department of Aeronautics, Department of Agriculture, Auditor of Public Accounts, Brand Committee, Corn Board, Dairy Industry Development Board, Dry Bean Commission, Game & Parks Commission, Governor, Grain Sorghum Board, Legislative Council, Lieutenant Governor, Department of Motor Vehicles, Motor Vehicles Licensing Board, Public Service Commission, Railway Council, Department of Roads, Secretary of State, State Board of Agriculture, Wheat Board

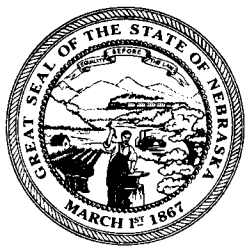
Dave Wagaman – Community College Aid, Coordinating Commission for Postsecondary Education, Educational Telecommunications Commission, State College System, University of Nebraska System

Joe Wilcox – Abstracters, Department of Administrative Services, Department of Banking and Finance, Barber Examiners, Department of Economic Development, Department of Environmental Quality, Engineers & Architects, Geologists, Department of Insurance, Department of Labor, Landscape Architects, Land Surveyors, Liquor Control, Department of Natural Resources, Public Accountancy, Real Estate Commission, Real Estate Appraiser Board

Support Staff

Betty Hladky, Business Manager

Tamara Zulauf, Staff Assistant



State Agencies

(In Alphabetical Order)

- | | |
|---|---|
| 66 Abstracters, Board of Examiners | 23 Labor, Department of |
| 87 Accountability & Disclosure Commission | 62 Land Surveyors |
| 65 Administrative Services, Department of | 73 Landscape Architects |
| 17 Aeronautics, Department of | 03 Legislative Council |
| 18 Agriculture, Department of | 34 Library Commission, Nebraska |
| 52 Agriculture, State Board of | 08 Lieutenant Governor |
| 69 Arts Council, Nebraska | 35 Liquor Control Commission |
| 11 Attorney General | 68 Mexican-American, Commission on |
| 10 Auditor of Public Accounts | 31 Military, Department of |
| 19 Banking and Finance, Department of | 40 Motor Vehicle Industry Licensing Board |
| 45 Barber Examiners, Board of | 24 Motor Vehicles, Department of |
| 81 Blind and Visually Impaired, Comm. for | 29 Natural Resources, Dept. of |
| 39 Brand Committee, Nebraska | 57 Oil & Gas Commission |
| 83 Community College Aid | 15 Parole Board |
| 88 Corn Board, Nebraska | 48 Postsecondary Educ., Coord. Commission for |
| 46 Correctional Services, Department of | 74 Power Review Board |
| 78 Criminal Justice, Comm. on Law Enforce. & | 96 Property Assessment & Taxation, Dept. of |
| 61 Dairy Industry Development Board, NE | 63 Public Accountancy, Board of |
| 82 Deaf & Hard of Hearing, Commission for the | 94 Public Advocacy, Nebraska Commission on |
| 86 Dry Bean Commission | 14 Public Service Commission |
| 72 Economic Development, Department of | 36 Racing Commission |
| 13 Education, Department of | 90 Railway Council, Nebraska |
| 32 Educational Lands & Funds, Board of | 53 Real Estate Appraiser Board |
| 47 Educational Telecomm. Comm., NE | 41 Real Estate Commission |
| 30 Electrical Board, Nebraska | 85 Retirement Systems, NE Public Employees' |
| 58 Engineers & Architects | 16 Revenue, Department of |
| 84 Environmental Quality, Department of | 27 Roads, Department of |
| 67 Equal Opportunity Commission | 09 Secretary of State |
| 60 Ethanol Board, Nebraska | 50 State College System |
| 21 Fire Marshal, State | 64 State Patrol, Nebraska |
| 70 Foster Care Review Board, State | 38 Status of Women |
| 33 Game & Parks Commission | 05 Supreme Court |
| 59 Geologists, Board of | 93 Tax Equalization & Review Commission |
| 07 Governor | 12 Treasurer, State |
| 92 Grain Sorghum Board | 51 University of Nebraska System |
| 26 HHS—Finance & Support | 28 Veterans' Affairs, Department of |
| 25 HHS—Health & Human Services | 56 Wheat Board, Nebraska |
| 20 HHS—Regulation & Licensure | 37 Workers' Compensation Court |
| 54 Historical Society, Nebraska State | |
| 76 Indian Affairs, Commission on | |
| 77 Industrial Relations, Commission of | |
| 22 Insurance, Department of | |
| 75 Investment Council, Nebraska | |